



REGULATIONS SUPERVISORY BOARD

14 MARCH 2017

AVANTIUM N.V.

**REGULATIONS FOR THE SUPERVISORY BOARD OF
AVANTIUM N.V.**

1 Introduction

- 1.1 These regulations are the regulations (**Regulations**) of the supervisory board (**Supervisory Board**) of Avantium N.V. (**Company**). The Supervisory Board deems it useful that its tasks and responsibilities be further regulated by these Regulations. These Regulations are established pursuant to article 23 of the articles of association of the Company (**Articles of Association**).
- 1.2 These Regulations are complementary to the rules and regulations (from time to time) applicable to the Supervisory Board and its members contained in applicable legislation and the Articles of Association.
- 1.3 These Regulations were adopted by the Supervisory Board on 14 March 2017 by a unanimous vote of all members and remain in full force and effect until amended or terminated (in whole or in part) in accordance with the relevant provisions contained herein and in the Articles of Association.
- 1.4 Capitalised terms used herein have the meaning set forth in the list of definitions attached as Schedule 1.
- 1.5 Reference to Articles shall be deemed to refer to articles of these Regulations, unless the contrary is apparent.
- 1.6 The attached Schedules form an integral part of these Regulations.
- 1.7 These Regulations are based upon the Corporate Governance Code (**Code**) as adopted by the Corporate Governance Code Monitoring Committee on 8 December 2016. The Code contains principles and best practice provisions that apply to the Company's corporate governance structure. The legislator is expected to designate the Code by decree as the new corporate governance code as defined by Section 2:391 Dutch Civil Code (**DCC**) in the course of 2017, as a result of which the Code is applicable as of financial year 2017. The 'Comply or Explain'- report of the Company in accordance with the Code, as well as the information referred to in Schedule 2 to the regulations of the Company's management board (**Management Board**), shall be made available on the Company's website. The report explains (i) any deviations of the Code, (ii) includes the reasons for such deviations, (iii) if the departure is of a temporary nature and continues for more than one financial year, an indication of when the Company intends to comply with the principle or the best practice provision again, and (iv) where applicable, a description of the alternative measure that was taken and either explains how that measure attains the purpose of the principle or the best practice provision or clarifies how the measure contributes to good corporate governance of the Company.

2 Duties and responsibilities Supervisory Board

- 2.1 The Supervisory Board is responsible for supervising the Company's management and the Company's general affairs and the business connected with it and for advising the Management Board. In performing its duties, the Supervisory Board shall be guided by the interests of the Company and its affiliated enterprise, and shall take into account the relevant interests of the Company's stakeholders (including but not limited to its shareholders).
- 2.2 The responsibilities of the Supervisory Board shall include:
- (a) disclosing, complying with and enforcing the Company's corporate governance structure;
 - (b) supervising the manner in which the Management Board implements the long-term value creation strategy and discussing on a regular basis the strategy, the implementation of the strategy and the principal risks associated with it, whereby the Management Board should engage the Supervisory Board early on in formulating the strategy for realising long-term value creation;
 - (c) in case there is an internal audit department present, overseeing the internal audit function and maintain regular contact with the person fulfilling this function, approve both the appointment and the dismissal of the senior internal auditor, approve the audit plan drawn up by the internal audit function or in case there is no separate department for the internal audit function, assessing annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the audit committee (**Audit Committee**), and considering whether it is necessary to establish an internal audit department;
 - (d) supervising the policies carried out by the Management Board and the general affairs of the Company and its affiliated enterprise. In so doing, the Supervisory Board shall also focus on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting;
 - (e) submitting the nomination for the appointment of the external auditor (**External Auditor**) to the general meeting of shareholders of the Company (**General Meeting**), supervising the External Auditor's functioning and resolving on the engagement of the External Auditor;
 - (f) supervising that the Management Board takes into account the checks and balances that are part of two tier system in its relation to the Executive Committee adequately, with due regard to the dynamics and the relationship between the Management Board and the Executive Committee;

- (g) preparing the Supervisory Board Profile and drawing up a diversity policy for the composition of the Management Board, the Supervisory Board and the Executive Committee;
- (h) ensuring that a formal and transparent procedure is in place for the appointment and reappointment of Management Board and Supervisory Board members, as well as a sound plan for the succession of Management Board and Supervisory Board members, with due regard to the diversity policy;
- (i) evaluating its own functioning, the functioning of the various Committees and that of the individual Supervisory Board members and evaluating the functioning of the Management Board as a whole and that of the individual Management Board members, in both cases outside the presence of the Management Board members;
- (j) selecting and recommending statutory auditors or audit firms for appointment as External Auditor by the General Meeting;
- (k) preparing, and co-signing the annual accounts (**Annual Accounts**);
- (l) stimulating openness and accountability within the Supervisory Board, and between the different organs within the Company;
- (m) supervising the establishment and implementation of internal procedures which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely fashion;
- (n) monitoring the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions;
- (o) preventing Conflicts of Interest and deciding on dealing with Conflicts of Interest regarding Management Board members, Supervisory Board members and majority shareholders in relation to the Company;
- (p) formulating and implementing the remuneration policy and determining the remuneration of the individual members of the Management Board, within the limits of the remuneration policy adopted by the General Meeting;
- (q) submitting a clear and understandable proposal for its own appropriate remuneration to the General Meeting; and
- (r) ensuring that the General Meeting is adequately provided with information it may require concerning an item on the agenda.

- 2.3 Each Supervisory Board member shall provide such information to the Company as is necessary to enable the Company to comply with applicable laws and regulations (including the rules of any stock exchanges on which the Company may be listed).
- 2.4 The nomination submitted to the General Meeting for the appointment of a new statutory auditor or audit firm shall include the recommendation and preference of the Audit Committee in this regard. If the proposal to the General Meeting deviates from the preference of the Audit Committee, it shall justify the reasons therefor. In any case, the statutory auditor or audit firm recommended by the Supervisory Board for appointment by the General Meeting must have participated in the selection procedure set out in Article 1.5 of the Audit Committee regulations.
- 2.5 The Supervisory Board shall prepare and publish a report on its functioning and activities and of the Committees during the preceding financial year. In this report, the Supervisory Board shall report any event on the items referred to in Schedule 2.

3 Composition, expertise and independence

- 3.1 The Company shall have a Supervisory Board consisting of at least three (3) members.
- 3.2 The Supervisory Board shall prepare a profile taking into account the nature and the activities of the enterprise affiliated with the Company (**Supervisory Board Profile**). The Supervisory Board Profile shall address:
- (a) the desired expertise and background of the Supervisory Board members;
 - (b) the desired diverse composition of the Supervisory Board, in accordance with the Company's diversity policy;
 - (c) the size of the Supervisory Board; and
 - (d) the independence of the Supervisory Board members.

The present Supervisory Board Profile is attached as Schedule 3.

- 3.3 The composition and size of the Supervisory Board shall be such that the requisite expertise, background, competencies and independence are present for the Supervisory Board to carry out its duties properly and enable the Supervisory Board members to operate independently and critically vis-à-vis one another, the Management Board and any particular interest involved.
- 3.4 In composing the Supervisory Board, the following requirements must be observed:

- (a) each Supervisory Board member shall have the specific expertise required for the fulfilment of its duties and is capable of assessing the broad outline of the overall management of the Company and its affiliated enterprise;
- (b) each Supervisory Board member must match the applicable Supervisory Board Profile and, by way of their respective participation in the Supervisory Board (upon (re)appointment and thereafter), the Supervisory Board as a whole must be composed in accordance with Article 3.3;
- (c) at least one of the members of the Supervisory Board must have relevant expertise in accounting or auditing;
- (d) (i) any one of the criteria referred to in Article 3.5, sections a. to e. inclusive shall be applicable to at most one Supervisory Board member; (ii) the total number of Supervisory Board members to whom the criteria referred to in Article 3.5 are applicable shall account for less than half of the total number of Supervisory Board members; and (iii) for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the capital of the Company (**Shares**), there is at most one Supervisory Board member who can be considered to be affiliated with or representing them as stipulated in Article 3.5, sections f. and g.;
- (e) none of its members may be appointed after his/her twelfth year in office;
- (f) the chairperson of the Supervisory Board (**Chairperson**) may not be a former member of the Management Board and shall be independent within the meaning of the Code.

3.5 A Supervisory Board member shall not be considered independent from the Company if such member of the Supervisory Board concerned, his/her spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:

- (a) has been an employee or member of the Management Board or the management board of associated companies (as referred to in Section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht*)) in the five years prior to the appointment;
- (b) receives personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not in the normal course of business;

- (c) has had an important business relationship with the Company or a company associated with it (as referred to in Section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht*)) in the year prior to the appointment. This includes in any event the case where the Supervisory Board member, or the firm of which he/she is a shareholder, partner, associate or adviser, has acted as adviser to the Company (consultant, external auditor, civil notary or lawyer) and the case where the Supervisory Board member is a management board member or an employee of a bank with which the Company has a lasting and significant relationship;
 - (d) is a member of the management board of a company in which a member of the Management Board is a supervisory board member;
 - (e) has temporarily performed management duties during the previous twelve months in the absence or incapacity of Management Board members;
 - (f) has a shareholding in the Company of at least ten percent, taking into account the shareholding of natural persons or legal entities cooperating with him or her on the basis of an express or tacit, verbal or written agreement;
 - (g) is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which holds at least ten percent of the Shares, unless the entity is a Subsidiary.
- 3.6 Supervisory Board members shall not pursue the candidacy for a position as supervisory director or a similar position in companies other than Subsidiaries without the Supervisory Board's prior approval. Such position must contribute to the Company's interests.. Other important positions held by a Supervisory Board member shall be notified to the Supervisory Board.
- 3.7 The number of a Supervisory Board member's supervisory or non-executive positions of large Dutch companies or foundations, as referred to in Section 2:142a DCC or other listed companies, shall be limited to a maximum of five, for which purpose the chairmanship of a supervisory board counts twice, such in due observance of the provisions of Section 2:142a DCC.
- 3.8 The Supervisory Board may appoint one or more members as "delegated" Supervisory Board members. Delegated Supervisory Board members are Supervisory Board members with a special task. The delegated authority may not exceed the duties of the Supervisory Board member himself/herself and does therefore not include managing the Company; it entails more intensive supervision and advice and more frequent consultation with the Management Board. The delegation shall be of a temporary nature only. The delegated Supervisory Board member continues to be a member of the Supervisory



Board and shall report regularly on the execution of his/her special duty to the Supervisory Board.

4 Appointment, reappointment and term of office

- 4.1 The members of the Supervisory Board shall be appointed in the manner as provided in the Articles of Association. If a nomination for appointment is made by the Supervisory Board, such nomination shall include the reasons. On reappointment, the manner in which the candidate fulfilled his/her duties as member of the Supervisory Board shall be taken into account. A Supervisory Board member shall be appointed for a maximum period of four (4) years at a time, provided that, unless a Supervisory Board member resigns earlier, his/her appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his/her appointment. A Supervisory Board member may be reappointed once for another term of not more than four (4) years, with due observance of the diversity policy. A Supervisory Board member may subsequently be reappointed again for a period of two years, which appointment may be extended once for another term of two years. In the event of reappointment after an eight-year period, the Supervisory Board report (**Supervisory Board Report**) shall include the reasons for such reappointment.
- 4.2 Supervisory Board members nominated for appointment shall attend the General Meeting at which votes will be cast on their nomination.
- 4.3 Supervisory Board members shall resign early in the event of inadequate functioning, structural incompatibility of interests and may be requested to resign in other instances where resignation is deemed necessary at the reasonable discretion of the Supervisory Board. In the event of the early retirement of a member of the Supervisory Board, the Company shall issue a press release mentioning the reasons for departure.
- 4.4 The Supervisory Board shall prepare a retirement and resignation rota to prevent, to the extent possible, reappointments occurring simultaneously, to be amended from time to time in case of change in circumstances. The retirement and resignation rota shall be aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard shall be given to the Supervisory Board Profile as attached as Schedule 3. Subject to Article 4.3, Supervisory Board members shall resign in accordance with the retirement and resignation rota.
- 4.5 Supervisory Board members who take on the management of the Company temporarily, where the members of the Management Board are absent or unable to fulfill their duties, shall (temporarily) resign from the Supervisory Board in order to do so.

5 Responsibilities Chairperson and Company Secretary

- 5.1 The Supervisory Board shall appoint one of its members as Chairperson and one of its members as vice-chairperson (**Vice-Chairperson**). The Chairperson so appointed shall have the title "Chairperson of the Supervisory Board" or "Chairperson". The Chairperson may not be a former member of the Management Board and shall be independent within the meaning of Article 3.5.
- 5.2 The Chairperson of the Supervisory Board shall act on behalf of the Supervisory Board as the main contact for the Management Board, Supervisory Board members and shareholders regarding the functioning of Management Board members and Supervisory Board members.
- 5.3 The Chairperson:
- (a) determines the agenda of the meetings of the Supervisory Board;
 - (b) chairs the meetings of the Supervisory Board;
 - (c) ensures the appointment of the Vice-Chairperson by the Supervisory Board;
 - (d) monitors and procures the proper functioning and adequate performance of the Supervisory Board and its Committees;
 - (e) arranges for the adequate and timely submission of information to the members of the Supervisory Board as necessary to perform their duties;
 - (f) co-ordinates the Supervisory Board's decision making process and ensures that there is sufficient time for consultation, consideration and decision making;
 - (g) arranges for the induction and education or training program for the Supervisory Board members and the Management Board members and ensures that the induction or training programmes are followed;
 - (h) acts on behalf of the Supervisory Board as main contact for the Management Board, the (central) works council and the General Meeting and ensures that contact with the Management Board, the (central) works council and the General Meeting is productive and that the results thereof are timely and prudently communicated to the other members of the Supervisory Board;
 - (i) initiates and ensures the annual evaluation of the functioning of the Supervisory Board and its members and of the Management Board and its members as referred to in Article 9.3(a) and (b);

- (j) ensures that the Management Board performs activities in respect of culture and long-term value creation within the meaning of Article 16;
 - (k) receives and decides on a reported (potential) Conflicts of Interest;
 - (l) ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
 - (m) ensures that the Supervisory Board is involved closely, and at an early stage, in any merger or takeover situations;
 - (n) receives and decides on reported alleged irregularities relating to the functioning of the Management Board members within the meaning of Article 11.3;
 - (o) assures effective communication with shareholders of the Company; and
 - (p) ensures the orderly and efficient conduct of the General Meeting.
- 5.4 The Vice-Chairperson shall deputise for the Chairperson when the occasion arises, and assumes the powers and duties of the Chairperson in the latter's absence. The Vice-Chairperson shall act as contact for individual Supervisory Board members and Management Board members concerning the functioning of the Chairperson.
- 5.5 The Supervisory Board shall be supported by a company secretary (**Company Secretary**) to be appointed and dismissed by the Management Board.
- 5.6 The Company Secretary shall be primarily responsible for:
- (a) compliance of the Supervisory Board's functioning with Dutch law, the Articles of Association and the rules and regulations issued pursuant thereto (including the Code and these Regulations);
 - (b) facilitate the provision of information to the Management Board and the Supervisory Board; and
 - (c) assisting the Chairperson in the organisation of the affairs of the Supervisory Board, including the provision of information, meeting agendas, evaluations and training programmes.

6 Supervisory Board committees

- 6.1 The Supervisory Board shall appoint an Audit Committee. If the Supervisory Board consists of more than four members, the Supervisory Board shall appoint a remuneration committee (**Remuneration Committee**) and a nomination committee (**Nomination Committee**). The Supervisory Board shall remain collectively responsible for decisions prepared by Committees appointed from among its members.

- 6.2 The Supervisory Board shall draw up regulations for each Committee which may be amended by the Supervisory Board at any time. The present regulations of the respective Committees are attached as Schedule 5, Schedule 6 and Schedule 7.
- 6.3 Should one or more Committees not be instituted, their respective practice and principles as set forth in the relevant Schedule shall apply mutatis mutandis to the Supervisory Board.
- 6.4 The Supervisory Board shall receive from each Committee a report of its deliberations and findings.

7 Remuneration

- 7.1 The remuneration of the Supervisory Board members shall be determined by the General Meeting upon a clear and understandable proposal by the Supervisory Board.
- 7.2 In determining the remuneration of the Supervisory Board, the following requirements must be observed:
- (a) the remuneration of the Supervisory Board members shall promote an adequate performance of their role and shall not be dependent on the results of the Company;
 - (b) the remuneration of the Supervisory Board members shall reflect the time spent and the responsibilities of their role;
 - (c) none of its members may receive Shares and/or options or similar rights to acquire Shares as part of their remuneration;
 - (d) none of its members may accept personal loans or guarantees from the Company, other than in the normal course of business and with the approval of the Supervisory Board; no remission of loans may be granted.
- 7.3 Supervisory Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. Any other expenses shall only be reimbursed, either in whole or in part, if incurred with the prior consent of the Chairperson; the Chairperson will inform the Supervisory Board on an annual basis on the policy of reimbursement of expenses.
- 7.4 If the members of the Supervisory Board are required to charge VAT on their fees, the Company shall pay the amount of VAT.

8 Induction programme and ongoing training and education

- 8.1 After their appointment, all Supervisory Board members shall follow an induction programme geared to their role that covers general financial, social

and legal affairs, financial reporting, any specific aspects that are unique to the Company and its affiliated enterprise, including its culture, the relationship with the (central) works council and the responsibilities of a Supervisory Board member.

- 8.2 The Supervisory Board will conduct an annual review to identify any aspects with regard to which the Supervisory Board members require further training or education during their term of office.

9 Supervisory Board meetings (agenda, teleconferencing, attendance, minutes) and resolutions

- 9.1 The Supervisory Board shall hold at least five meetings per year and whenever one or more of its members have requested a meeting. Supervisory Board meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.

- 9.2 Supervisory Board members who are frequently absent during meetings of the Supervisory Board shall be asked by the Chairperson to explain their absence. The Supervisory Board Report shall state the absenteeism rate from Supervisory Board and Committee meetings of each Supervisory Board member.

- 9.3 Unless the Supervisory Board decides otherwise, meetings of the Supervisory Board shall be attended by one or more Management Board members, save for meetings concerning:

(a) the evaluation of the functioning of the Supervisory Board and its individual members and the conclusions to be drawn from that evaluation; in doing so, attention shall be paid to:

- (i) substantive aspects, the mutual interaction and the interaction with the Management Board;
- (i) events that occurred in practice from which lessons may be learned; and
- (ii) the desired profile, composition, competencies and expertise of the Supervisory Board.

(b) the evaluation of the functioning of the Management Board and its individual members, and the conclusions to be drawn from that evaluation, such also in light of the succession of Management Board members;

(c) (potential) Conflicts of Interest of members of the Management Board.

The External Auditor shall be requested to attend each Supervisory Board meeting at which the reports of the External Auditor on the audit of the Annual Accounts are discussed.

- 9.4 Meetings shall be convened by the Company Secretary on behalf of the member(s) requesting the meeting. Where this is practically possible, notices convening a meeting and the agenda of items to be considered and discussed therein shall be dispatched seven days before the meeting and sent to each member of the Supervisory Board and the CEO.
- 9.5 Minutes of the meeting shall be prepared by the secretary of the meeting. They shall generally be adopted by the Supervisory Board at the same meeting or a subsequent meeting. A certificate signed by the chairperson and the secretary of the meeting confirming that the Supervisory Board had adopted a particular resolution, shall constitute evidence of such resolution vis-à-vis third parties. The minutes shall be signed for adoption by the chairperson and the secretary of the meeting and shall be dispatched to all members of the Supervisory Board as soon as practically possible. The Company Secretary may issue and sign extracts of the adopted minutes.
- 9.6 The Supervisory Board can only validly adopt resolutions in a meeting at which at least one half of its members is present or represented, with the proviso that members who have a Conflict of Interest shall not be taken into account when calculating this quorum.
- 9.7 Resolutions of the Supervisory Board are adopted by an absolute majority of votes, provided that members who have a Conflict of Interest shall not take part in the voting. If there is a tie vote, the proposal shall be rejected.
- 9.8 With due observance of the provisions of these Regulations and the Articles of Association, resolutions of the Supervisory Board may be adopted outside a meeting, in writing or otherwise, provided that the proposal concerned is submitted to all Supervisory Board members in office at that time and none of them objects to this form of decision making. The Company Secretary shall keep a record of each resolution adopted outside a meeting. The adoption of resolutions outside of a meeting must be reported at the next meeting.
- 9.9 The ongoing items to be considered and discussed at Supervisory Board meetings include:
- (a) the Company's strategy in line with the view on long-term value creation, the implementation of the strategy and the principal risks associated with it;
 - (b) at least annually, the other positions of Management Board members and Supervisory Board members outside the Company and its Subsidiaries;

- (c) reports received from the Committees;
- (d) the financial results and the reporting thereof;
- (e) the Company's budget;
- (f) major capital expenditures in excess of the Company's budget;
- (g) major decisions requiring Supervisory Board action;
- (h) the corporate strategy (and changes thereto) with the Management Board;
- (i) the main risks of the business;
- (j) the result of the evaluation by the Management Board of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto.

9.10 In the event the Company Secretary is absent or unable to act, the powers of the Company Secretary under these Regulations shall be exercised by a Supervisory Board member other than the Chairperson, to be designated for such purposes by the Supervisory Board.

10 Conflict of Interest

10.1 A Supervisory Board member shall not participate in the discussions and/or decision making process on a subject or transaction in relation to which he/she has a direct or indirect personal conflict of interest with the Company within the meaning of Article 10.2 or Section 2:140 paragraph 5 DCC (**Conflict of Interest**). Such transaction must be concluded on terms customary in the branch concerned and be approved by the Supervisory Board. The Chairperson shall procure that transactions in respect of which Supervisory Board members have a Conflict of Interest will be referred to in the Board Report with reference to the Conflict of Interest and a declaration that Articles 10.1, 10.2, 10.4 and 10.5 were complied with.

10.2 A Supervisory Board member shall in any event be deemed to have a Conflict of Interest, if:

- (a) he/she has a personal financial interest in a company with which the Company intends to enter into a transaction;
- (b) he/she has a family law relationship (*familierechtelijke verhouding*) with a management board member of a company with which the Company intends to enter into a transaction;

- (c) he/she is a member of the management or supervisory board of, or holds similar office with, a company with which the Company intends to enter into a transaction;
- (d) under applicable law, including the rules of any exchange on which Shares may be listed, such Conflict of Interest exists or is deemed to exist; or
- (e) the Chairperson, or if applicable, the Vice-Chairperson, at his/her sole discretion has ruled that such Conflict of Interest exists or is deemed to exist.

The mere fact that a Supervisory Board member holds Shares or is entitled to obtain Shares, is in itself insufficient to determine that a Conflict of Interest exists to which Article 10.1 applies.

10.3 To prevent Conflicts of Interest, Supervisory Board members shall in any case refrain from:

- (a) competing with the Company or its Subsidiaries and their affiliated enterprise;
- (b) demanding or accepting substantial gifts from the Company or its Subsidiaries, for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- (c) providing unjustified advantages to third parties at the expense of the Company or its Subsidiaries;
- (d) taking advantage of business opportunities to which the Company or its Subsidiaries are entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

10.4 Each Supervisory Board member (other than the Chairperson) shall immediately report any potential Conflict of Interest concerning a Supervisory Board member to the Chairperson. The Supervisory Board member with such (potential) Conflict of Interest must provide the Chairperson with all information relevant to the conflict, including information relating to the persons with whom he/she has a family law relationship (*familierechtelijke verhouding*). In all circumstances, the Chairperson will determine whether a reported (potential) Conflict of Interest qualifies as a Conflict of Interest to which Article 10.1 applies.

10.5 In case the Chairperson has a (potential) Conflict of Interest he/she shall immediately report such (potential) Conflict of Interest to the Vice-Chairperson. The Chairperson must provide the Vice-Chairperson with all

information relevant to the (potential) Conflict of Interest, including information relating to his/her wife/husband, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. In all circumstances, the Vice-Chairperson will determine whether a reported (potential) Conflict of Interest qualifies as a Conflict of Interest to which Article 10.1 applies.

- 10.6 In case a (potential) Conflict of Interest is reported in respect of any member of the Management Board, the Supervisory Board will determine whether such reported (potential) Conflict of Interest qualifies as a Conflict of Interest for which such member or members of the Management Board shall not participate in the discussions and/or decision making process. Such transaction must be concluded on terms customary in the branch concerned and be approved by the Supervisory Board. The Chairperson shall procure that transactions in respect of which Management Board members have a Conflict of Interest will be referred to in the Board Report with reference to the Conflict of Interest and a declaration that this Article 10.6 was complied with.
- 10.7 In case a (potential) Conflict of Interest is reported in respect of the External Auditor the Supervisory Board will determine whether a reported (potential) Conflict of Interest qualifies as a (potential) Conflict of Interest pursuant to which the appointment of the External Auditor will have to be reconsidered or other measures must be taken to resolve it. The Chairperson shall procure that those measures will be mentioned in the Board Report with reference to the (potential) conflict of interest and a declaration that this Article 10.7 was complied with.

11 Complaints and whistleblowing

- 11.1 The Supervisory Board shall be alert to indications of actual or suspected misconduct or irregularities and monitors the Management Board with regard to the established reporting procedure itself and the follow-up of such reported suspicion of misconduct or irregularities.
- 11.2 The Management Board shall ensure that employees have the opportunity, without jeopardising their legal position, to report to the Management or a designated person in respect of matters about suspected irregularities of a general, operational and financial nature within the Company.
- 11.3 Suspected irregularities relating to the functioning of members of the Management Board will be reported to the Chairperson. The Supervisory Board has the option of initiating its own investigation into any irregularities relating to the functioning of members of the Management Board that have been discovered and to coordinate this investigation.

12 Relationship with the Management Board and the Executive Committee

- 12.1 The Supervisory Board (including its individual members) has its own responsibility for obtaining all information from the Management Board, the internal audit function (if present), the External Auditor and the (central) works council that the Supervisory Board requires for the due performance of its duties. If the Supervisory Board deems necessary, it may obtain information from officers and external advisors of the Company. The Management Board shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisors attend its meetings.
- 12.2 The Management Board shall timely provide the Supervisory Board with information (if possible, in writing) on all facts and developments concerning the Company which the Supervisory Board may need to function as required and to properly carry out its duties. The information provided by the Management Board shall include information of the Executive Committee.
- 12.3 Each year, without prejudice to the above, the Management Board shall provide the Supervisory Board with a budget for the following year, an up-to-date version of its long-term plans, the main features of the strategic policy, the general and financial risks, the management and control systems of the Company and the compliance with all relevant laws and regulations.
- 12.4 The Management Board shall engage the Supervisory Board early on in formulating the strategy for realising long-term value creation. The Management Board gives account to the Supervisory Board of the strategy and the explanatory notes to that strategy.
- 12.5 If a member of the Supervisory Board shall receive information or indications relevant to the Supervisory Board in the proper performance of its supervisory and advisory tasks (from a source other than the executive or Supervisory Board), he/she shall make this information available to the Chairperson as soon as possible. The Chairperson shall subsequently inform the entire Supervisory Board.

13 Relationship with the General Meeting

- 13.1 In accordance with the Articles of Association, General Meetings may be convened at the request of the Management Board or the Supervisory Board. The person(s) convening the meeting shall ensure that it is held in due time and that the shareholders of the Company and other persons with meeting rights are informed by means of a shareholders circular of all facts and circumstances relevant to the item(s) on the agenda.
- 13.2 Management Board members and Supervisory Board members shall attend General Meetings, unless they are prevented from attending for important

reasons. In conformity with the Articles of Association, the Chairperson shall, as a general rule, chair General Meetings, and shall decide on the contents of resolutions. The ruling pronounced by the Chairperson in respect of the outcome of a vote in a General Meeting shall be decisive subject to the provisions of Section 2:13 of the DCC.

- 13.3 The Supervisory Board shall provide the General Meeting with any information it may require concerning an item on the agenda, unless important interests (*zwaarwegende belangen*) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Supervisory Board shall specify the reasons for invoking such important interests.
- 13.4 The Management Board and the Supervisory Board are responsible for the corporate governance structure of the Company and must give account to the General Meeting in relation to such structure. Each year the broad outline of the Company's corporate governance structure shall be set forth in a separate chapter of the Board Report. In this chapter the Company will confirm the principles and best practices of the Code directed at the Management Board and the Supervisory Board were followed and if not, the reason for not doing so shall be explained which explanation shall in any event include the following elements:
- (a) any deviations of the Code;
 - (b) the reasons for such deviations;
 - (c) if the departure is of a temporary nature and continues for more than one financial year, an indication of when the Company intends to comply with the principle or the best practice provision again; and
 - (d) where applicable, a description of the alternative measure that was taken and either explains how that measure attains the purpose of the principle or the best practice provision or clarifies how the measure contributes to good corporate governance of the Company.

Each significant change in the Company's corporate governance structure and the compliance of the Code shall be addressed in a separate item on the agenda for consideration by the General Meeting.

14 Relationship with the works council

- 14.1 The Chairperson will act on behalf of the Supervisory Board as main contact for the (central) works council and will ensure that contact with the (central) works council is proper and productive and that the results thereof are timely and prudently communicated to the other members of the Supervisory Board.

- 14.2 In meetings between the Management Board, Supervisory Board and the (central) works council, the conduct and culture in the Company and its affiliated enterprise shall also be discussed.

15 Relationship with the External Auditor

- 15.1 The Supervisory Board shall meet with the External Auditor as often as it considers necessary, but at least once a year, without members of the Management Board being present.
- 15.2 The Supervisory Board shall be permitted to examine the most important points of discussion arising between the External Auditor and the Management Board based on the draft management letter or the draft audit report.
- 15.3 The External Auditor shall in any event attend the meeting of the Supervisory Board at which the report of the External Auditor of the financial statements is discussed.
- 15.4 The CEO, the CFO, the External Auditor and the internal auditor (if appointed), shall attend the meetings of the Audit Committee, unless the Audit Committee determines otherwise.
- 15.5 The Supervisory Board shall give the External Auditor a general idea of the content of the reports relating to his/her functioning.

16 Culture and long-term value creation

The Management Board is responsible for creating a culture aimed at long-term value creation for the Company, its Subsidiaries and their affiliated enterprise. The Supervisory Board shall supervise the activities of the Management Board in this regard and discuss such values with the Management Board.

17 Takeover situations

- 17.1 In the event of (i) a takeover bid for (depository receipts of) Shares, (ii) a private bid for a business unit or a participating interest where the value of the bid exceeds one-third of the amount of its assets according to the Company's consolidated balance sheet and explanatory notes and/or (iii) other substantial changes in the structure of the organisation is in the process of being prepared, the Management Board shall ensure that the Supervisory Board is closely involved in the takeover process at an early stage.
- 17.2 In the event of a takeover bid, a private bid and/or other substantial changes in the structure of the organisation as referred to in Article 17.1, the Supervisory Board shall, together with the Management Board, ensure that the stakeholder interests concerned are carefully weighed and any Conflict of

Interest for Supervisory Board members or Management Board members is avoided.

- 17.3 If a takeover bid has been announced or made for the Company and the Management Board receives a request from a competing bidder to inspect the Company's records, the Management Board shall discuss this request with Supervisory Board without delay.

18 Holding and trading securities

- 18.1 In case any member of the Supervisory Board holds securities in the Company, this will be for the purpose of long-term investment; members of the Supervisory Board will refrain from short-term transactions in securities in the Company.

- 18.2 With respect to securities in the Company, members of the Supervisory Board are bound by the Company's policy on inside information and securities trading and must at all times comply with all Dutch and foreign statutory provisions and regulations, including applicable notification requirements, applicable to the ownership of and transactions related to securities in the Company and securities in other companies.

19 Confidentiality

Members of the Supervisory Board shall treat all information and documentation acquired within the framework of their membership with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Supervisory Board or the Management Board, made public or otherwise made available to third parties, even after resignation from the Supervisory Board, unless it has been made public by the Company or it has been established that the information is already in the public domain.

20 Non-compliance and amendment

- 20.1 The Supervisory Board may amend these Regulations.
- 20.2 Without prejudice to the provisions in the Articles of Association, the Supervisory Board may occasionally decide at its sole discretion not to comply with and adhere to these rules pursuant to a resolution of the Supervisory Board to that effect. Such resolutions shall be explained in the Supervisory Board Report.
- 20.3 Where these Regulations are inconsistent with Dutch law or the Articles of Association, the latter shall prevail. Where these Regulations conform to the Articles of Association but are inconsistent with Dutch law, the latter shall prevail.

- 20.4 If one or more provisions of these Regulations are or become invalid, this shall not affect the validity of the remaining provisions. The Supervisory Board may replace the invalid provisions by provisions, which are valid, and the effect of which, given the contents and purpose of these Regulations is, to the greatest extent possible, similar to that of the invalid provisions.

21 Governing law and jurisdiction

These Regulations shall be governed by and construed in accordance with the law of the Netherlands. The courts of Amsterdam, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with these Regulations (including any dispute regarding the existence, validity or termination of these Regulations).



The following Schedules form part of these Regulations:

SCHEDULE 1

List of definitions

SCHEDULE 2

Information to be included in the Supervisory Board Report

SCHEDULE 3

Supervisory Board Profile

SCHEDULE 4

Retirement & Resignation Rota

SCHEDULE 5

Audit Committee Regulations

SCHEDULE 6

Remuneration Committee Regulations

SCHEDULE 7

Nomination Committee Regulations

Schedule 1

LIST OF DEFINITIONS

In the Regulations of the Supervisory Board, the following terms have the following meanings:

AFM	the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);
Annual Accounts	the annual accounts of the Company as referred to in Section 2:101 DCC;
Articles of Association	the articles of association of the Company, as amended from time to time;
Audit Committee	the audit committee of the Supervisory Board;
Audit Committee Regulations	the regulations of the Audit Committee attached as <u>Schedule 5</u> ;
Board Report	the board report of the Company, drawn up by the Management Board, as referred to in Section 2:391 DCC and regulations promulgated thereunder or in connection therewith;
CEO	the Chief Executive Officer of the Company;
CFO	the Chief Financial Officer of the Company;
Chairperson	the chairperson of the Supervisory Board;
Code	Dutch Corporate Governance Code, as amended from time to time;
Committees	the Audit Committee, the Remuneration Committee and the Nomination Committee;
Company	has the meaning assigned thereto in Article 1.1;
Company Secretary	the company secretary of the Company as referred to in Article 25 of the Articles of Association;
Conflict of Interest	has the meaning assigned thereto in Article 10.1;
DCC	the Dutch Civil Code;
Executive Committee	the executive committee of the Company;

External Auditor	the auditor of the Company as referred to in Section 2:393 DCC;
General Meeting	the general meeting of the Company;
Management Board	the management board of the Company;
Nomination Committee	the selection and appointment committee of the Supervisory Board;
Nomination Committee Regulations	the regulations of the Nomination Committee attached as <u>Schedule 7</u> ;
Regulations	the regulations of the Supervisory Board;
Remuneration Committee	the remuneration committee of the Supervisory Board;
Remuneration Committee Regulations	the regulations of the Remuneration Committee attached as <u>Schedule 6</u> ;
Remuneration Report	the remuneration report of the Supervisory Board concerning the remuneration policy of the Company as drawn up by the Remuneration Committee, which shall include the information referred to in Article 1.5 of the Remuneration Committee Regulations;
Share	any share in the capital of the Company;
Subsidiary	a subsidiary of the Company within the meaning of Section 2:24a DCC;
Supervisory Board	the supervisory board of the Company;
Supervisory Board Profile	the profile of the size and composition of the Supervisory Board as referred to in Article 3.2;
Supervisory Board Report:	the annual report of the Supervisory Board which is added to the Board Report;
Vice-Chairperson:	the vice-chairperson of the Supervisory Board;
written or in writing:	by letter, by telecopier, by e-mail, or by message which is transmitted via any other current means of communication and which can be received in written form.

Schedule 2

INFORMATION TO BE INCLUDED IN THE SUPERVISORY BOARD REPORT

(pursuant to the Code)

- The Supervisory Board will give account of its involvement in the establishment of the strategy, and the way in which it monitors the implementation of the strategy.
- The conclusions, along with any resulting recommendations and alternative measures of the assessment whether adequate alternative measures have been taken if the Company has no separate department for the internal audit function, partly on the basis of a recommendation issued by the Audit Committee, including its considerations whether it is necessary to establish an internal audit department.
- The following information with respect to each member of the Supervisory Board:
 - gender;
 - age;
 - nationality;
 - principal position;
 - other positions, in so far as they are relevant to the performance of the duties of the Supervisory Board member;
 - date of initial appointment; and
 - the current term of office.
- A statement that the independence requirements referred to in the Code are considered to be fulfilled and, if applicable, which members of the Supervisory Board are not considered to be independent.
- The reasons for reappointment of a Supervisory Board member in the event of a reappointment after an eight-year period
- A statement on:
 - how the evaluation of the Supervisory Board, the Committees and the individual Supervisory Board members has been carried out;



- how the evaluation of the Management Board and the individual Management Board members has been carried out; and
 - what has been or will be done with the conclusions from the evaluations.

- In respect of each Committee, the composition, how the duties of the Committees were carried out in the financial year, the number of Committee meetings and the main items discussed at the meetings.

- The absenteeism rate from Supervisory Board and Committee meetings of each Supervisory Board member.

Schedule 3

SUPERVISORY BOARD PROFILE

Each Supervisory Board member shall be capable of assessing the broad outline of the overall management. Each Supervisory Board member shall have the specific expertise required for the fulfilment of the duties assigned to the role designated to him within the framework of the Supervisory Board profile. The composition of the Supervisory Board shall be such that it is able to carry out its duties properly. The Supervisory Board shall aim for a diverse composition in terms of such factors as nationality, age, gender, education and work background. A Supervisory Board member shall be reappointed only after careful consideration. The profile referred to above shall also be applied in the case of a reappointment.

The Supervisory Board shall prepare a profile of its size and composition, taking account of the nature and the activities of the business, its activities and the desired expertise and background of the Supervisory Board members. The profile shall deal with the aspects of diversity in the composition of the Supervisory Board that are relevant to the Company and shall state what specific objective is pursued by the board in relation to diversity. In so far as the existing situation differs from the intended situation, the Supervisory Board shall account for this in the report of the Supervisory Board and shall indicate how and within what period it expects to achieve this aim. The profile shall be made generally available and shall be posted on the Company's website.

Composition in general

Taking into account the nature of the Company's business and its activities, the Supervisory Board's scope and composition (and division of duties) is as follows:

The Supervisory Board consists of 6 members, however for reasons of continuity this maximum may be exceeded temporarily with the approval of the General Meeting. Members of the Supervisory Board are selected and recommended according to the following selection criteria:

- background/education/training/degrees;
- (international) experience;
- skills;
- independence;
- diversity.

The composition and qualities of the Supervisory Board as a whole shall be in line with the Company's size, portfolio, nature, culture, geographical spread and its status as a listed Company.

When a proposal is made for the (re)appointment of a new supervisory director, the Supervisory Board primarily looks at the expertise, experience and independence of the candidate. The diversity policy will be considered in the preparation of the (re)appointment.

The composition of the Supervisory Board shall be such that the combination of experience, expertise and independence of its members will enable the Supervisory Board in the best way to perform its duties towards the Company and the stakeholders of the Company (including its shareholders).

Without prejudice to Article 2.1, the Supervisory Board has designated the following members to be primarily responsible for the following areas:

- Financial administration and accounting; internal risk management and control systems: at least two members, presently Ms. G.E.A. Reijen and Mr. C.J. Stoufs;
- Management strategy and risks inherent to the Company's business: at least one member, presently J. M. van der Eijk;
- Management selection, nomination and selection: at least three members, presently Mr. D.J. Lucquin, Ms. G.E.A. Reijen, Mr. J.S. Wolfson;
- Enforcement of the law (including European rules and directives), Articles of Association, stock exchange rules, corporate governance and compliance: at least two members, presently all members of the Supervisory Board;
- Shareholder and employee relations: at least one member, presently the Chairperson.

The following member of the Supervisory Board has relevant expertise in accounting or auditing: Ms. G.E.A. Reijnen.

Schedule 4

RETIREMENT & RESIGNATION ROTA

Name	Date of first appointment	Date latest reappointment	Date of upcoming reappointment	Final term ends on
A.M. Boersma	1 January 2017	n/a	AGM 2018	March 2025
J.M. van der Eijk	1 January 2010	n/a	AGM 2018	March 2025
D.J. Lucquin	19 May 2011	n/a	AGM 2018	March 2025
G.E.A. Reijnen	14 April 2015	n/a	AGM 2019	March 2025
C.J. Stoufs	29 October 2008	n/a	AGM 2018	March 2025
J.S. Wolfson	15 January 2013	n/a	AGM 2019	March 2025

Schedule 5

AUDIT COMMITTEE REGULATIONS

INTRODUCTION

The Supervisory Board appointed an Audit Committee, such in accordance with Article 6 of the Regulations.

Capitalised terms used in these Audit Committee regulations (**Audit Committee Regulations**) have the meaning set forth in the list of definitions as attached to the Regulations.

1 Role and responsibilities

- 1.1 Without prejudice to Article 6.1 of the Regulations, the Audit Committee undertakes preparatory work for the Supervisory Board's decision making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems.
- 1.2 The responsibilities of the Audit Committee shall include:
 - (a) supervising and monitoring, and discussing with and advising the Management Board on, the effectiveness of the design and operation of the internal risk management and control systems, including supervising the enforcement of the relevant legislation and regulations, and supervising the effect of codes of conduct;
 - (b) supervising the submission of financial information by the Company (including choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the financial statements, forecasts, work of internal auditor and the External Auditor);
 - (c) supervising the compliance with recommendations and observations of the Company's internal auditor and the External Auditor;
 - (d) supervising the functioning of the internal audit department (if present); in particular co-determining the plan of action for the internal audit department, taking note of the findings and considerations of the internal audit department and giving an opinion on the way in which the internal audit function fulfils its responsibility to the Management Board;
 - (e) supervising the policy of the Company on tax planning;
 - (f) supervising the financing of the Company;

- (g) supervising the applications of information and communication technology, including risks relating to cybersecurity;
 - (h) maintaining frequent contact and supervising the relationship with the External Auditor;
 - (i) implementing the procedure for the selection of a statutory auditor and submitting a recommendation to the Supervisory Board for the (re)appointment or dismissal of a statutory auditor by the General Meeting, giving due consideration to the Management Board's observations of the work of the External Auditor;
 - (j) informing the Supervisory Board of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process;
 - (k) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
 - (l) determining whether and, if so, how the External Auditor shall be involved in the content and publication of financial reports other than the financial statements;
 - (m) issuing a recommendation on the appointment and dismissal of the senior internal auditor (if present);
 - (n) if there is no separate department for the internal audit function, issuing a recommendation to the Supervisory Board whether adequate alternative measures have been taken;
 - (o) submitting a proposal to the Supervisory Board for the External Auditor's engagement to audit the Annual Accounts;
 - (p) approving the Annual Accounts, the annual budget and major capital expenditures of the Company.
- 1.3 The Audit Committee shall, together with the Management Board and the External Auditor, be involved in the drawing up of the audit plan by the internal audit function (if present).
- 1.4 The Audit Committee and the External Auditor shall discuss the audit plan and the findings of the External Auditor based on the work the External Auditor has undertaken. The Audit Committee shall discuss with the External Auditor:
- (a) the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the External Auditor in the audit plan; and

- (b) based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter.
- 1.5 The Audit Committee shall report to the Supervisory Board on its deliberations and findings. This report must, at least, include the following information:
 - (a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
 - (b) the methods used to assess the effectiveness of the internal and external audit processes;
 - (c) material considerations regarding financial reporting;
 - (d) the way material risks and uncertainties have been analysed and discussed, along with a description of the most important findings of the Audit Committee.
- 1.6 The Audit Committee shall report annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the External Auditor, in particular his/her independence. The report shall address, inter alia, the desirability of rotation of partners within an audit firm that is responsible for the Company's audit, and the desirability of any non-auditing work for the Company by the External Auditor. The selection and recommendation of the External Auditor will also take into account the outcome of this report.
- 1.7 Unless it concerns the renewal of the audit engagement of the External Auditor, the recommendation as referred to in Article 1.2 under (i) shall be well-motivated and shall contain at least two choices for the audit engagement. The Audit Committee shall express a duly justified preference for one of the candidates. In its recommendation, the Audit Committee shall state that its recommendation is free from influence by a third party and that no contractual clauses restrict the choice by the General Meeting to certain categories or lists of statutory auditors or audit firms.
- 1.8 An audit engagement may be renewed but may not exceed a maximum duration of ten years. The duration of an engagement shall be calculated as from the Company's first financial year covered in the audit engagement letter. After any ten-year engagement period, a cool-off period of four years applies.
- 1.9 Unless it concerns the renewal of the audit engagement of the External Auditor, the recommendation as referred to in Article 1.2 under (j) shall be prepared following a selection procedure organised by the Company – under the responsibility of the Audit Committee – respecting the following criteria:

- (a) the Company shall be free to invite any statutory auditors or audit firms (which are licenced to audit public-interest entities) to submit proposals for the provision of the statutory audit service provided that (i) Article 1.4 is respected and (ii) the organisation of the tender process does not in any way preclude the participation in the selection procedure of firms which received less than 15% of the total audit fees from public-interest entities in the Netherlands in the previous calendar year;
 - (b) the Company shall prepare tender documents for the attention of the invited statutory auditors or audit firms. Those tender documents shall allow them to understand the business of the Company and the type of statutory audit that is to be carried out. The tender documents shall contain transparent and non-discriminatory selection criteria that shall be used by the Company to evaluate the proposals made by statutory auditors or audit firms;
 - (c) the Company shall be free to determine the selection procedure and may conduct direct negotiations with interested tenderers in the course of the procedure;
 - (d) where the AFM requires statutory auditors and audit firms to comply with certain quality standards, those standards shall be included in the tender documents;
 - (e) the Company shall evaluate the proposals made by the statutory auditors or the audit firms in accordance with the selection criteria predefined in the tender documents. The Company shall prepare a report on the conclusions of the selection procedure, which shall be validated by the Audit Committee. The Company and the Audit Committee shall take into consideration any findings or conclusions of any inspection report published by the AFM regarding the quality and transparency of the applicant statutory auditor or audit firm;
 - (f) the Company shall be able to demonstrate, upon request, to the AFM that the selection procedure was conducted in a fair manner.
- 1.10 The External Auditor shall receive the financial information underlying the adoption of the quarterly or half yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information.
- 1.11 The External Auditor shall inform the chairman of the Audit Committee without delay if, during the performance of his/her duties, he/she discovers or suspect an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the functioning of a Management Board member, the External Auditor shall report this directly to the Chairperson.
- 1.12 Every member of the Supervisory Board shall have access to all books and records of the Audit Committee.

2 Composition and size Audit Committee

- 2.1 The Audit Committee shall consist of at least two members. More than half of the members of the Audit Committee, including the chairperson of the Audit Committee, shall be independent within the meaning of Article 3.5 of the Regulations.
- 2.2 All members of the Audit Committee must be members of the Supervisory Board.
- 2.3 The Supervisory Board shall appoint the members of the Audit Committee. The Supervisory Board may substitute the members of the Audit Committee at any time.
- 2.4 At least one member of the Audit Committee has competence in accounting and/or auditing. The members as a whole shall have competence relevant to the sector in which the Company is operating.
- 2.5 The Audit Committee may not be chaired by the Chairperson or by a former member of the Management Board. The chairperson of the Audit Committee shall be designated by the Supervisory Board.
- 2.6 Generally the term of office of a member of the Audit Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and the other Committees from time to time.
- 2.7 The composition of the Audit Committee shall be mentioned in the Supervisory Board Report.
- 2.8 The Company Secretary shall act as the secretary to the Audit Committee.
- 2.9 No member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to members of the Supervisory Board for service on the Supervisory Board or a Committee thereof.
- 2.10 The chairperson of the Audit Committee or one of the other Audit Committee members shall use its best efforts to be available to answer questions about the Audit Committee's activities at the annual General Meeting.

3 Meetings of the Audit Committee

- 3.1 The Audit Committee shall hold at least four meetings per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the office of the Company, but may also take place elsewhere or by means of a conference call, video-conference, or similar communications equipment provided that all members of the Audit Committee participating in the meeting can hear each other and none of them has

objected to this way of decision making. The quorum of any meeting shall be two members.

- 3.2 The Audit Committee shall meet with the External Auditor as often as it considers necessary, but at least once a year, outside the presence of the Management Board.
- 3.3 The CFO, the internal auditor (if present) and the External Auditor shall attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee shall decide whether and, if so, when the CEO shall attend its meetings.
- 3.4 The convocation notices of an Audit Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Audit Committee are given opportunity to participate in and prepare themselves for the meeting ultimately eight days in advance. In urgent cases, the chairperson of the Audit Committee may determine that the meeting shall be convened upon shorter notice, but in any case no later than two business days before the meeting. Any notice of the Audit Committee meeting shall contain the agenda for the meeting. The agenda stating the matters for decision, shall be drawn up by the chairperson of the Audit Committee. The other information and decision material for the meeting shall be circulated as soon as possible, but in any case no later than two business days before the meeting.
- 3.5 The Company Secretary shall take minutes of the meeting. The minutes shall be adopted in the same meeting or in the next meeting of the Audit Committee, and shall be signed by the chairperson of the Audit Committee and the Company Secretary. A copy of the minutes will be sent to the Supervisory Board.
- 3.6 If and when required, the chairperson of the Audit Committee shall provide further information to the Supervisory Board during its meetings on the results of the Audit Committee's discussions.
- 3.7 The number of meetings of the Audit Committee and the main items discussed shall be mentioned in the Supervisory Board Report.

4 Amendment

The Supervisory Board may amend these Audit Committee Regulations and/or revoke any powers granted by it to the Audit Committee

5 Regulations *mutatis mutandis* applicable

The relevant Articles of the Regulations shall apply *mutatis mutandis* to these Audit Committee Regulations.

Schedule 6

REMUNERATION COMMITTEE REGULATIONS

INTRODUCTION

The Supervisory Board appointed a Remuneration Committee, such in accordance with Article 6 of the Regulations.

Capitalised terms used in these Remuneration Committee regulations (**Remuneration Committee Regulations**) have the meaning set forth in the list of definitions as attached to the Regulations.

1 General role and responsibilities

- 1.1 Without prejudice to Article 6.1 of the Regulations, the Remuneration Committee advises the Supervisory Board in relation to its responsibilities and shall prepare resolutions of the Supervisory Board in relation thereto.
- 1.2 The Remuneration Committee shall in any event have the following duties:
 - (a) submitting a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board;
 - (b) preparing the Supervisory Board's decision making regarding the determination of remuneration of the individual members of the Management Board; and
 - (c) preparing the Remuneration Report (**Remuneration Report**).
- 1.3 The following aspects shall in any event be taken into consideration when formulating the remuneration policy:
 - (a) the objectives for the strategy for the implementation of long-term value creation;
 - (b) the scenario analyses carried out in advance;
 - (c) the pay ratios within the Company and its affiliated enterprise;
 - (d) the development of the market price of the Shares;
 - (e) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;

- (f) if Shares are being awarded, the terms and conditions governing this. Shares shall be held for at least five years after they are awarded; and
 - (g) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded.
- 1.4 The proposal for the remuneration of Management Board members is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the Company and its affiliated enterprise. When drafting the proposal for the remuneration of Management Board members, the Remuneration Committee shall take note of individual Management Board members' views with regard to the amount and structure of their own remuneration. The Remuneration Committee shall ask the members of the Management Board to pay attention to the aspects referred to in Article 1.3 of these Remuneration Committee Regulations.
- 1.5 The Remuneration Report shall in any event describe, in a transparent manner, in addition to the matters required by law:
- (a) how the remuneration policy has been implemented in the past financial year;
 - (b) how the implementation of the remuneration policy contributes to long-term value creation;
 - (c) that scenario analyses have been taken into consideration;
 - (d) the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
 - (e) in the event that a Management Board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
 - (f) in the event that a current or former Management Board member receives a severance payment, the reason for this payment.

The Remuneration Report shall be made generally available and shall be posted on the Company's website.

- 1.6 The Remuneration Committee shall present all material findings and recommendations, and a report of each of its meetings, to the Supervisory Board for consideration.
- 1.7 Every member of the Supervisory Board shall have unrestricted access to all records of the Remuneration Committee.
- 1.8 If the Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the Management Board members.

2 Composition and size Remuneration Committee

- 2.1 The Remuneration Committee shall consist of at least two members. More than half of the members of the Remuneration Committee, including the chairperson of the Remuneration Committee, shall be independent within the meaning of Article 3.5 of the Regulations.
- 2.2 All members of the Remuneration Committee must be members of the Supervisory Board.
- 2.3 The Supervisory Board shall appoint the members of the Remuneration Committee. The Supervisory Board may substitute the members of the Remuneration Committee at any time.
- 2.4 The Remuneration Committee may not be chaired by the Chairperson or by a former member of the Management Board. The chairperson of the Remuneration Committee shall be designated by the Supervisory Board.
- 2.5 Generally the term of office of a member of the Remuneration Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and other Committees from time to time.
- 2.6 The composition of the Remuneration Committee shall be mentioned in the Supervisory Board Report.
- 2.7 The Company Secretary shall act as the secretary to the Remuneration Committee.
- 2.8 No member of the Remuneration Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to members of the Supervisory Board for service on the Supervisory Board or a Committee thereof.
- 2.9 The chairperson of the Remuneration Committee or one of the other Remuneration Committee members shall use its best efforts to be available to answer questions about the Remuneration Committee's activities at the annual General Meeting.

3 Meetings of the Remuneration Committee

- 3.1 The Remuneration Committee shall hold at least two meetings per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the office of the Company, but may also take place elsewhere or by means of a conference call, video-conference, or similar communications equipment provided that all members of the Remuneration Committee participating in the meeting can hear each other and none of them has objected to this way of decision making. The quorum of any meeting shall be two members.
- 3.2 The convocation notices of a Remuneration Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Remuneration Committee are given opportunity to participate in and prepare themselves for the meeting ultimately eight days in advance. In urgent cases, the chairperson of the Remuneration Committee may determine that the meeting shall be convened upon shorter notice, but in any case no later than two business days before the meeting. Any notice of the Remuneration Committee meeting shall contain the agenda for the meeting. The agenda stating the matters for decision, shall be drawn up by the chairperson of the Remuneration Committee. The other information and decision material for the meeting shall be circulated as soon as possible, but in any case no later than two business days before the meeting.
- 3.3 The secretary of the Remuneration Committee shall take minutes of the meeting. The minutes shall be adopted in the same meeting or in the next meeting of the Remuneration Committee, and shall be signed by the chairperson and the secretary of the Remuneration Committee. A copy of the minutes will be sent to the Supervisory Board.
- 3.4 If and when required, the chairperson of the Remuneration Committee shall provide further information to the Supervisory Board during its meetings on the results of The Remuneration Committee's discussions.
- 3.5 The number of meetings of the Remuneration Committee and the main items discussed shall be mentioned in the Supervisory Board Report.

4 Amendment

The Supervisory Board may amend these Remuneration Committee Regulations and/or revoke any powers granted by it to the Remuneration Committee.

5 Regulations *mutatis mutandis* applicable

The relevant Articles of the Regulations shall apply *mutatis mutandis* to these Committee Regulations.

Schedule 7

NOMINATION COMMITTEE REGULATIONS

The Supervisory Board appointed a Nomination Committee, such in accordance with Article 6 of the Regulations.

Capitalised terms used in these Nomination Committee regulations (**Nomination Committee Regulations**) have the meaning set forth in the list of definitions as attached to the Regulations.

1 General role and responsibilities

1.1 Without prejudice to Article 6.1 of the Regulations, the Nomination Committee advises the Supervisory Board in relation to its responsibilities and shall prepare resolutions of the Supervisory Board in relation thereto.

1.2 The Nomination Committee shall in any event focus on:

- (a) drawing up selection criteria and appointment procedures for Supervisory Board members and Management Board members;
- (b) periodically assessing the size and composition of the Supervisory Board and the Management Board, and making a proposal for a composition profile of the Supervisory Board;
- (c) periodically assessing the functioning of individual Supervisory Board members and Management Board members, and reporting on this to the Supervisory Board;
- (d) making proposals for appointments and reappointments; and
- (e) supervising the policy of the Management Board on the selection criteria and appointment procedures for senior management.

1.3 The Nomination Committee shall prepare the decision making of the Supervisory Board.

1.4 The Supervisory Board shall receive a report from the Nomination Committee of their deliberations and findings.

1.5 Every member of the Supervisory Board shall have unrestricted access to all records of the Nomination Committee.

2 Composition and size Nomination Committee

2.1 The Nomination Committee shall consist of at least two members. More than half of the members of the Nomination Committee, including the chairperson

of the Nomination Committee, shall be independent within the meaning of Article 3.5 of the Regulations.

- 2.2 All members of the Nomination Committee must be members of the Supervisory Board. The Supervisory Board shall appoint the members of the Nomination Committee.
- 2.3 The Supervisory Board may substitute the members of the Nomination Committee at any time.
- 2.4 The Nomination Committee may not be chaired by the Chairperson or by a former member of the Management Board. The chairperson of the Nomination Committee shall be designated by the Supervisory Board.
- 2.5 Generally the term of office of a member of the Nomination Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and the other Committees from time to time.
- 2.6 The composition of the Nomination Committee shall be mentioned in the Supervisory Board Report.
- 2.7 The Company Secretary shall act as the secretary to the Nomination Committee.
- 2.8 No member of the Nomination Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to members of the Supervisory Board for service on the Supervisory Board or a Committee thereof.
- 2.9 The chairperson of the Nomination Committee or one of the other Nomination Committee members shall use its best efforts to be available to answer questions about the Nomination Committee's activities at the annual General Meeting.

3 Meetings of the Nomination Committee

- 3.1 The Nomination Committee shall hold at least two meetings per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the office of the Company, but may also take place elsewhere or by means of a conference call, video-conference, or similar communications equipment provided that all members of the Nomination Committee participating in the meeting can hear each other and none of them has objected to this way of decision making. The quorum of any meeting shall be two members.
- 3.2 The convocation notices of a Nomination Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Nomination Committee are given opportunity to participate in and prepare themselves for

the meeting ultimately eight days in advance. In urgent cases, the chairperson of the Nomination Committee may determine that the meeting shall be convened upon shorter notice, but in any case no later than two business days before the meeting. Any notice of the Nomination Committee meeting shall contain the agenda for the meeting. The agenda stating the matters for decision, shall be drawn up by the chairperson of the Nomination Committee. The other information and decision material for the meeting shall be circulated as soon as possible, but in any case no later than two business days before the meeting.

- 3.3 The secretary of the Nomination Committee shall take minutes of the meeting. The minutes shall be adopted in the same meeting or in the next meeting of the Nomination Committee, and shall be signed by the chairperson and the secretary of the Nomination Committee. A copy of the minutes will be sent to the Supervisory Board.
- 3.4 If and when required, the chairperson of the Nomination Committee shall provide further information to the Supervisory Board during its meetings on the results of The Nomination Committee's discussions.
- 3.5 The number of meetings of the Nomination Committee and the main items discussed shall be mentioned in the Supervisory Board Report.

4 Amendment

The Supervisory Board may amend these Nomination Committee Regulations and/or revoke any powers granted by it to the Nomination Committee.

5 Regulations *mutatis mutandis* applicable

The relevant Articles of the Regulations shall apply *mutatis mutandis* to these Nomination Committee Regulations.