



**REGULATIONS
BOARD OF DIRECTORS**

29 NOVEMBER 2017
AMENDED ON 7 MARCH 2018

EPP N.V.



REGULATIONS OF THE BOARD OF EPP N.V.

1 Introduction

- 1.1 These regulations are the regulations (**Regulations**) of the board of directors (**Board of Directors**) of EPP N.V. (**Company**). The Board of Directors deems it useful that its tasks and responsibilities be further regulated by these Regulations. These Regulations are established pursuant to article 19.1 of the Articles of Association (**Articles of Association**).
- 1.2 These Regulations are complementary to the rules and regulations (from time to time) applicable to the Board of Directors and its members contained in applicable legislation and the Articles of Association.
- 1.3 These Regulations were adopted by the Board of Directors on 29 November 2017 by a unanimous vote of all members, and amended on 7 March 2018, 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. In addition, these Regulations have been prepared in compliance with the King IV report on corporate governance for South Africa, 2016 (King IV), which is applicable to all companies that have a primary listing on the JSE Limited. The Code contains principles and best practice provisions that apply to the Company's corporate governance structure. On 7 September 2017 the Code has been designated by decree as the new corporate governance code as defined by Section 2:391 Dutch Civil Code (**DCC**). The 'Apply and Explain'- report of the Company in accordance with the King IV is made available on the Company's website. In addition a 'Comply and Explain'- report of the Company in accordance with the Code, as well as the information referred to in Schedule 2, shall be made available on the Company's website. The report shall explain (i) any deviations from King IV and the Code, (ii) 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 Ethical and effective governance

2.1 The Board of Directors shall lead ethically and effectively.¹

2.2 The members of the Board of Directors shall individually and collectively endeavour to cultivate the following characteristics and exhibit them in their conduct:

(a) Integrity

- (i) members of the Board of Directors must act in good faith and in the best interests of the Company;
- (ii) members of the Board of Directors should avoid Conflicts of Interest. In cases where a conflict cannot be avoided, Article 23 will apply;
- (iii) members of the Board of Directors should act ethically beyond mere legal compliance;
- (iv) members of the Board of Directors shall set the tone for an ethical organisational culture;

(b) Competence

- (i) members of the Board of Directors shall take steps to ensure that they have sufficient working knowledge of the Company, its industry, the Triple Context in which it operates, the Capitals it uses and affects as well as of the key laws, rules, codes and standards applicable to the Company;
- (ii) members of the Board of Directors must act with due care, skill and diligence, and take reasonably diligent steps to become informed about matters for decision;
- (iii) members of the Board of Directors should continuously develop their competence to lead effectively;

(c) Responsibility

- (i) members of the Board of Directors shall assume collective responsibility for steering and setting direction of the Company, as detailed in Article 5 below, approving policy and planning, overseeing and monitoring of implementation and execution by management, and ensuring accountability for organisational performance;
- (ii) members of the Board of Directors should exercise courage in taking risks and capturing opportunities, but do so in a responsible manner and in the best interests of the Company;
- (iii) members of the Board of Directors should take responsibility for anticipating, preventing or otherwise ameliorating the negative outcomes of the Company's

¹ Principle 1 of King IV

activities and outputs on the Triple Context in which it operates and the Capitals that it uses and affects;

- (iv) members of the Board of Directors should attend meetings of the Board of Directors and its Committees, and devote sufficient time and effort to prepare for those meetings;

(d) **Accountability**

Members of the Board of Directors should be willing to answer for the execution of their responsibilities, even when these were delegated;

(e) **Fairness**

- (i) members of the Board of Directors shall adopt a stakeholder-inclusive approach in the execution of their governance role and responsibilities;
- (ii) members of the Board of Directors shall direct the Company in such a way that it does not adversely affect the natural environment, society or future generations;

(f) **Transparency**

Members of the Board of Directors should be transparent in the manner in which they exercise their governance role and responsibilities.

3 Organisational ethics

3.1 The Board of Directors shall govern the ethics of the Company in a way that supports the establishment of an ethical culture.²

3.2 The Board of Directors shall be responsible for the governance of ethics by setting the direction for how ethics should be approached and addressed within the Company.

3.3 The Board of Directors shall approve codes of conduct and ethics policies that give effect to its direction on organisational ethics.

3.4 The Board of Directors will ensure that codes of conduct and ethics policies:

- (a) encompass the Company's interaction with internal and external stakeholders and the broader society; and
- (b) address the key ethical risks of the Company.

3.5 The Board of Directors will ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the Company's ethical standards including:

- (a) publishing the Company's codes of conduct and policies on the Company's website;

² Principle 2 of King IV

- (b) incorporating by reference relevant codes of conduct and policies of the Company in supplier and employee contracts;
 - (c) including the Company's codes of conduct and policies in employee induction and training programmes.
- 3.6 The responsibility for implementation and execution of the Company's codes of conduct and ethics policies is delegated to the Executive Committee.
- 3.7 Notwithstanding the above, the Board of Directors shall exercise ongoing oversight of the management of ethics, and in particular, oversee that it results in the following:
- (a) application of the Company's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers;
 - (b) having sanctions and remedies in place for when the Company's ethical standards are breached;
 - (c) the use of protected disclosure and whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately;
 - (d) the monitoring of adherence to the Company's ethical standards by employees and other stakeholders through, amongst others, periodic independent assessments.

4 **Responsible corporate citizenship**

- 4.1 The Board of Directors shall ensure that the Company is and is seen to be a responsible corporate citizen.³
- 4.2 The Board of Directors shall assume responsibility for corporate citizenship by setting the direction for how it should be approached and addressed by the Company.
- 4.3 The Board of Directors shall ensure that the Company's responsible corporate citizenship efforts include compliance with the law, leading standards and adherence to its own codes of conduct and policies.
- 4.4 The Board of Directors shall oversee that the Company's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen.
- 4.5 The Board of Directors shall oversee and monitor, on an ongoing basis, how the consequences of the Company's activities and outputs affect its status as a responsible corporate citizen. Oversight and monitoring shall be performed against measures and targets agreed with management in the following areas:
- (a) workplace;
 - (b) economy;

³ Principle 3 of King IV

- (c) society; and
- (d) environment.

5 Collective Responsibility and Division of Tasks

- 5.1 The Board of Directors shall serve as the focal point and custodian of corporate governance in the Company.⁴
- 5.2 The members of the Board of Directors shall be collectively responsible for the Company's management, the general affairs of the Company's business and the general affairs of the Subsidiaries.
- 5.3 The Board of Directors shall exercise its leadership role by:
- (a) steering the Company and setting its strategic direction;
 - (b) approving policy and planning that give effect to the direction provided;
 - (c) overseeing and monitoring the implementation and execution by management; and
 - (d) ensuring accountability for organisational performance by means of, amongst others, reporting and disclosure.
- 5.4 The Board of Directors shall approve the protocol to be followed in the event that it or any of its members or committees need to obtain independent, external professional advice at the cost of the Company on matters within the scope of their duties.
- 5.5 In performing its duties, the Board of Directors 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).
- 5.6 The division of tasks within the Board of Directors shall be determined (and amended, if necessary) by mutual consultation by the Board of Directors, provided that the day-to-day management of the Company shall be entrusted to the Executive Directors and provided further that the task to supervise the performance by the Directors of their duties cannot be taken away from the Non-Executive Directors.⁵ The manner in which tasks are divided among the members of the Board of Directors will from time to time be laid down in one or more documents. An individual member of the Board of Directors may only exercise such powers as are explicitly attributed or delegated to him and he may never exercise powers beyond those exercisable by the Board of Directors as a whole.
- 5.7 Each member of the Board of Directors shall be accountable to the Board of Directors for the fulfilment of his/her duties and must therefore report to the Board of Directors on a regular basis and in such a manner as to give the Board of Directors a proper insight in the performance of his/her duties, the foregoing also in view of the Board of Directors' collective responsibility.

⁴ Principle 6 of King IV

⁵ Article 2:129a paragraph 1 DCC

- 5.8 Each member of the Board of Directors shall have the right to receive from other members of the Board of Directors and from employees any information about matters which such member may deem useful or appropriate in connection with his/her collective responsibility for the Company's management. Each member must consult with the other members of the Board of Directors if the implementation of his/her duties affects the implementation of the duties of the other members of the Board of Directors or if the significance of the matter requires consultation with the other members of the Board of Directors.
- 5.9 Where the management of Subsidiaries is concerned, the Board of Directors shall ensure that instructions to management board members of such Dutch Subsidiaries shall be based on a resolution of the general meeting of those Subsidiaries.
- 5.10 The Board of Directors is responsible for the continuity of the Company and its affiliated enterprise. The Board of Directors focuses on long-term value creation for the Company and its affiliated enterprise, and takes into account the stakeholder interests that are relevant in this context.⁶
- 5.11 The responsibilities of the Board of Directors shall include:
- (a) developing a view on long-term value creation by the Company and its affiliated enterprise and formulating a strategy in line with this;⁷
 - (b) identifying and managing the risks associated with the Company's strategy and activities;⁸
 - (c) in case there is an internal audit department present, appointing and dismissing the senior internal auditor, annual assessment of the way in which the internal audit function fulfils its responsibility and approving the audit plan drawn up by the internal audit function;⁹
 - (d) giving account of the effectiveness of the design and the operation of the internal risk management and control systems;¹⁰
 - (e) ensuring compliance with legislation and regulations;
 - (f) ensuring compliance with and maintaining the corporate governance structure of the Company;¹¹
 - (g) publishing the corporate structure of the Company and any other information required under the Code, through the Company's website and publication in the Board Report or otherwise;
 - (h) preparing the Annual Accounts, the Semi-Annual Accounts and drawing up the

⁶ Principle 1.1 of the Code

⁷ Bpp 1.1.1 of the Code

⁸ Principle 1.2 of the Code

⁹ Principle 1.3, bpp 1.3.1 and bpp 1.3.2 of the Code

¹⁰ Principle 1.4 of the Code

¹¹ Preamble of the Code

annual budget and important capital investments of the Company.¹²

- 5.12 The Board of Directors shall ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the Board of Directors in a timely fashion.¹³
- 5.13 Each member of the Board of Directors 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).
- 5.14 The Board of Directors is responsible for creating and shall adopt values for the Company and its affiliated enterprise that contribute to a culture aimed at long-term value creation for the Company and its affiliated enterprise. The Board of Directors is responsible for the incorporation and maintenance of the values within the Company and its affiliated enterprise and shall pay attention to, among other things, (i) the strategy and the business model, (ii) the environment in which the enterprise operates, and (iii) the existing culture within the enterprise, and whether it is desirable to implement any changes in this. The Board of Directors encourages behaviour that is in keeping with the values, and propagates these values through leading by example.¹⁴
- 5.15 The Board of Directors shall stimulate openness and accountability within the Board of Directors, and between the different organs within the Company.¹⁵
- 5.16 The Board of Directors shall attach to the Annual Accounts a board report on the work undertaken by it (**Board Report**). The Board Report shall in any event contain the information referred to in Schedule 3 and any information required by applicable law or pursuant to the Code and King IV.

6 Strategy, performance and reporting

- 6.1 The Board of Directors appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.¹⁶
- 6.2 The Board of Directors assumes responsibility for organisational performance by steering and setting the direction for the realisation of the Company's core purpose and value through its strategy.
- 6.3 When developing a view on long-term value creation by the Company and its affiliated enterprise and formulating a strategy in line with this, the Board of Directors is assisted by the Executive Committee.

¹² Article 2:101 DCC

¹³ Bpp 2.4.7 of the Code

¹⁴ Principle 2.5 and bpp 2.5.1 of the Code

¹⁵ Bpp 2.4.1 of the Code

¹⁶ Principle 4 of King IV

- 6.4 When considering the proposed strategy, the Board of Directors should challenge it constructively with reference to, amongst others, the following ¹⁷:
- (a) the strategy's implementation and feasibility;
 - (a) the business model applied by the Company and the market in which the Company and its affiliated enterprise operate;
 - (b) the timelines and parameters which determine the meaning of short, medium and long term respectively;
 - (c) the risks, opportunities and other significant matters connected to the Triple Context in which the Company operates;
 - (d) the extent to which the proposed strategy depends on the resources and relationships connected to the various forms of Capital;
 - (e) the Company's operational and financial goals and their impact on its future position in relevant markets;
 - (f) the legitimate and reasonable needs, interests and expectations of material stakeholders;
 - (g) the increase, decrease or transformation of the various forms of Capitals that may result from the execution of the proposed strategy; and
 - (h) any other aspects relevant to the Company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery;
 - (i) the inter-connectivity and interdependence of all of the above.
- 6.5 The Board of Directors shall be responsible for approving policies and operational plans developed by the Executive Committee to give effect to the strategy, which should include key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term.
- 6.6 The Board of Directors delegates to the Executive Committee the responsibility to implement and execute the approved policies and operational plans.
- 6.7 The Board of Directors shall exercise ongoing oversight of the implementation of strategy and operational plans by the Executive Committee against agreed performance measures and targets.
- 6.8 The Board of Directors shall oversee that the Company continually assesses, and responds to, the negative consequences of its activities and outputs on the Triple Context in which it operates, and the Capitals it uses and affects.

¹⁷ Bpp 1.1.1 of the Code

6.9 As part of its oversight of performance, the Board of Directors shall be alert to the general viability of the Company with regards to its reliance and effects on the Capitals, its solvency and liquidity, and its status as a going concern.

6.10 The Board of Directors shall ensure that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance, and its short, medium and long-term prospects.¹⁸

7 Executive Directors

7.1 The Executive Directors shall be entrusted with the day-to-day management of the Company and the enterprise connected with it, under responsibility of the Board of Directors as a whole.¹⁹

7.2 In the event of the absence or inability to act of one or more members of the Board of Directors, the powers of the Board of Directors remain intact, provided that:

(a) in the event of the absence or inability to act of all Executive Directors, the Non-Executive Directors shall be authorised to temporarily entrust the management to others;

(b) in the event of the absence or inability to act of the Non-Executive Directors or of all members of the Board of Directors, the Company Secretary shall temporarily be responsible for the management of the Company until the vacancies have been filled. In the event of the absence or inability to act of all Non-Executive Directors or all members of the Board of Directors, the Company Secretary will as soon as possible take the necessary measures required for a permanent solution.

7.3 The Executive Directors shall, at least once a year, evaluate their own functioning.²⁰

8 Non-Executive Directors

8.1 The Non-Executive Directors shall be entrusted with the general management of the Company and the enterprise connected with it and are responsible for supervising the Company's management and the Company's general affairs and the business connected with it and for advising the Executive Directors.²¹ Such task of supervision may not be taken away from the Non-Executive Directors by a division of tasks.²²

8.2 Notwithstanding the responsibilities of the Board of Directors referred to in Article 5, the responsibilities of the Non-Executive Directors shall include:

(a) disclosing, complying with and enforcing the Company's corporate governance structure;²³

(b) supervising the manner in which the Board of Directors implements the long-term

¹⁸ Principle 5 of King IV

¹⁹ Section 2:129 paragraphs 1 and 5 DCC

²⁰ Bpp 2.2.7 of the Code

²¹ Principle 1.5 of the Code

²² Section 2:129a paragraph 1 DCC

²³ Preamble of the Code

value creation strategy and discussing on a regular basis the strategy, the implementation of the strategy and the principal risks associated with it²⁴, whereby the Board of Directors as a whole should be engaged early on in formulating the strategy for realising long-term value creation;²⁵

- (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 function²⁶ 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 and risk committee (**Audit and Risk Committee**), and considering whether it is necessary to establish an internal audit department²⁷;
- (d) supervising the policies carried out by the Board of Directors and the general affairs of the Company and its affiliated enterprise. In so doing, the Non-Executive Directors 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;²⁸
- (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 functioning²⁹ and resolving on the engagement of the External Auditor;³⁰
- (f) supervising that the Board of Directors 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 Executive Directors and the Executive Committee;³¹
- (g) preparing the Non-Executive Directors Profile³² and drawing up a diversity policy for the composition of the Board of Directors and the Executive Committee;³³
- (h) ensuring that a formal and transparent procedure is in place for the appointment and reappointment of members of the Board of Directors, as well as a sound plan for the succession of members of the Board of Directors, with due regard to the diversity policy;³⁴
- (i) evaluating the functioning of the Board of Directors as a whole and that of the individual members of the Board of Directors and evaluating the functioning of the various Committees, in both cases outside the presence of the Executive Directors;

²⁴ Bpp 1.1.3 and Principle 1.1 of the Code

²⁵ Bpp 1.1.2 of the Code

²⁶ Principle 1.3 and Bpp 1.3.1 and 1.3.3 of the Code

²⁷ Bpp 1.3.6 of the Code

²⁸ Principle 1.5 of the Code

²⁹ Principle 1.6 of the Code

³⁰ Bpp 1.6.3 of the Code

³¹ Bpp 2.1.3 of the Code

³² Bpp 2.1.1 of the Code

³³ Bpp 2.1.5 of the Code

³⁴ Principle 2.2 of the Code

³⁵ and

- (j) selecting and recommending statutory auditors or audit firms for appointment as External Auditor by the General Meeting;³⁶
- (k) preparing, and co-signing the annual accounts (**Annual Accounts**);³⁷
- (l) supervising the establishment and implementation of internal procedures which safeguard that all relevant information is known to the Board of Directors in a timely fashion;³⁸
- (m) 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;³⁹
- (n) preventing Conflicts of Interest and deciding on dealing with Conflicts of Interest regarding members of the Board of Directors and majority shareholders in relation to the Company;⁴⁰
- (o) formulating and implementing the remuneration policy and determining the remuneration of the individual Executive Directors, within the limits of the remuneration policy adopted by the General Meeting;⁴¹
- (p) submitting a clear and understandable proposal for its own appropriate remuneration to the General Meeting;⁴² and
- (q) ensuring that the General Meeting is adequately provided with information it may require concerning an item on the agenda.⁴³

8.3 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 and Risk Committee in this regard. If the proposal to the General Meeting deviates from the preference of the Audit and Risk Committee, it shall justify the reasons therefor. In any case, the statutory auditor or audit firm recommended by the Non-Executive Directors for appointment by the General Meeting must have participated in the selection procedure set out in the Audit and Risk Committee regulations.

8.4 The Non-Executive Directors shall prepare and publish a report on its functioning and activities and of the Committees during the preceding financial year (**Non-Executive Directors Report**). In this report, the Non-Executive Directors shall report any event on the items referred to in Schedule 4. The Non-Executive Directors Report can form part of the

³⁵ Bpp 2.2.6 and 2.2.7 of the Code

³⁶ Article 16 Regulation 537/2014

³⁷ Section 2:101 paragraph 2 DCC

³⁸ Bpp 2.4.7 of the Code

³⁹ Bpp 2.6.4 of the Code

⁴⁰ Principle 2.7 of the Code

⁴¹ Principle 3.1 and 3.2 of the Code

⁴² Principle 3.3 of the Code

⁴³ Principle 4.2 of the Code

Board Report, or be included in a separate report.⁴⁴

9 Composition

- 9.1 The Board of Directors shall comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.⁴⁵ Furthermore, the composition and size of the Board of Directors shall be such that the requisite expertise, background and competencies are present for the Board of Directors, and in addition that with respect to the Non-Executive Directors, the requisite independence is present, to carry out their duties properly and enable the Non-Executive Directors to operate independently and critically vis-à-vis one another, the Executive Directors and any particular interest involved.⁴⁶
- 9.2 The Board of Directors shall consist of at least one (1) Executive Director and three (3) Non-Executive Directors, provided that the Board of Directors shall be comprised of a maximum of fifteen (15) directors and that the majority of the Board of Directors consists of Non-Executive Directors. With due observance of the foregoing, the General Meeting shall determine the number of Executive Directors and Non-Executive Directors. Only individuals can be Non-Executive Directors.
- 9.3 The Board of Directors shall appoint one of its Non-Executive Directors as chairperson of the Board of Directors (**Chairperson**), who shall ensure the proper functioning of the Board of Directors as a whole, and one of its Non-Executive Directors as vice-chairperson (**Vice-Chairperson**). The Chairperson may not be an Executive Director and shall be independent within the meaning of Article 9.6.⁴⁷ In addition, the Board of Directors shall appoint one of its members as Chief Executive Officer, or CEO, who shall ensure the proper functioning of the Executive Directors. In addition, the Board of Directors shall have one Executive Director specifically in charge of the Company's financial affairs (and who may be referred to as the Chief Financial Officer, or CFO).
- 9.4 The Non-Executive Directors shall prepare a profile taking into account the nature and the activities of the enterprise affiliated with the Company (**Non-Executive Directors Profile**).⁴⁸ The Non-Executive Directors Profile shall address:
- (a) the desired expertise and background of the Non-Executive Directors;
 - (b) the desired diverse composition of all Non-Executive Directors together, in accordance with the Company's diversity policy;
 - (c) the number of Non-Executive Directors on the Board of Directors; and
 - (d) the independence of the Non-Executive Directors.

The present Non-Executive Directors Profile is attached as Schedule 5.

⁴⁴ Bpp 5.1.5 of the Code

⁴⁵ Principle 7 of King IV

⁴⁶ Principle 2.1 and Bpp 2.1.7 of the Code

⁴⁷ Bpp 2.1.9 of the Code

⁴⁸ Principle 2.1.1 of the Code

- 9.5 In composing the Board of Directors, the following requirements must be observed:
- (a) each member of the Board of Directors 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;⁴⁹
 - (b) the Company's diversity policy drawn up by the Non-Executive Directors shall be taken into account;
 - (c) by way of their respective participation in the Board of Directors (upon (re)appointment and thereafter), the Board of Directors as a whole must be composed in accordance with Article 9.1;
 - (d) each Non-Executive Director must match the applicable Non-Executive Directors Profile,
 - (e) at least one Non-Executive Director must have relevant expertise in accounting or auditing;⁵⁰
 - (f) (i) any one of the criteria referred to in Article 9.6, sections a. to e. inclusive shall be applicable to at most one Non-Executive Director; (ii) the total number of Non-Executive Directors to whom the criteria referred to in Article 9.6 are applicable shall account for less than half of the total number of Non-Executive Directors; 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 Non-Executive Director who can be considered to be affiliated with or representing them as stipulated in Article 9.6, sections f. and g.;⁵¹
 - (g) none of the Non-Executive Directors may be appointed after his/her twelfth year in office;⁵²
 - (h) the Chairperson may not be a former Executive Director and shall be independent within the meaning of the Code.⁵³
- 9.6 A Non-Executive Director shall not be considered independent from the Company if such Non-Executive Director concerned, his/her spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:
- (a) participates in a share-based incentive scheme offered by the Company;
 - (b) has been an employee or Executive Director or member of the management board of associated companies (as referred to in Section 5:48 of the Financial Supervision

⁴⁹ Bpp 2.1.4 of the Code

⁵⁰ Article 39 of Directive 2014/56/EU and article 2 Decree establishment audit committee

⁵¹ Bpp 2.1.7 and 2.1.8 of the Code

⁵² Bpp 2.2.2 of the Code

⁵³ Bpp 2.1.9 of the Code

Act (*Wet op het financieel toezicht*)) in the five years prior to the appointment⁵⁴;

- (c) receives personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a Non-Executive Director and in so far as this is not in the normal course of business;
 - (d) has or 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 Non-Executive Director, 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), the case where the Non-Executive Director is a management board member or an employee of a bank with which the Company has a lasting and significant relationship or the Non-Executive Director is a management board member or an employee of a significant customer of, or supplier to the Company ;
 - (e) is a member of the management board of a company in which a member of the Board of Directors is a supervisory board member;
 - (f) has temporarily performed management duties during the previous twelve months in the absence or incapacity of Executive Directors;
 - (g) has a shareholding in the Company of at least ten percent, or provides significant ongoing funding to the Company, taking into account the shareholding or funding of natural persons or legal entities cooperating with him or her on the basis of an express or tacit, verbal or written agreement;
 - (h) 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, or provides significant ongoing funding to the Company, unless the entity is a Subsidiary,⁵⁵ or is related party to the Company;
 - (i) has been designated external auditor responsible for performing the statutory audit for the Company, or a key member of the audit team of the external audit firm during the preceding three financial years;
 - (j) is entitled to remuneration contingent on the performance of the Company.
- 9.7 The Board of Directors shall function independently from any instructions by third parties outside the Company.
- 9.8 The Executive Directors have divided their tasks in the manner described in the Articles 11 and 12. Any change therein shall be subject to approval of the Board of Directors.

⁵⁴ Associated companies as referred to in Section 5:48 of the Financial Supervision Act means any other entity whose securities are admitted to trading on a regulated market (i) to which the Company is affiliated in a group or in which the Company owns a holding and whose most recently adopted turnover is at least ten percent of the consolidated turnover of the Company; or (ii) which, directly or indirectly, provides more than 25 percent of the capital of the Company

⁵⁵ Bpp 2.1.8 of the Code

- 9.9 Management positions of the members of the Board of Directors in Subsidiaries are deemed positions derived from the position of member of the Board of Directors and shall therefore be subject to these Regulations.
- 9.10 Members of the Board of Directors shall not pursue the candidacy for a position as supervisory director or a similar position in companies other than Subsidiaries without the Board of Directors' prior approval. Such position must contribute to the Company's interests. Other important positions held by a member of the Board of Directors shall be notified to the Board of Directors.⁵⁶
- 9.11 The number of an Executive Director's supervisory or non-executive positions of large Dutch companies or foundations, as referred to in Section 2:132a DCC, shall be limited to a maximum of two with due observance of Section 2:132a DCC. An Executive Director member may not be the chairperson of a supervisory board or of a one tier board of another large Dutch company or foundation, as referred to in Section 2:132a DCC, or other listed companies.⁵⁷ The number of a Non-Executive Director'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.⁵⁸ In addition and subject to Section 2:142a DCC, in order to determine whether the Chairperson is able to perform the duties of this office effectively, the Chairperson, together with the Board of Directors, should determine the number of outside professional positions that the Chairperson is allowed to hold, taking into account the relative size and complexity of the organisations involved.
- 9.12 The Non-Executive Directors may appoint one or more Non-Executive Directors as "delegated" Non-Executive Directors. Delegated Non-Executive Directors are Non-Executive Directors with a special task. The delegated authority may not exceed the duties of the Non-Executive Director himself/herself; it entails more intensive supervision and advice and more frequent consultation with the Executive Directors. The delegation shall be of a temporary nature only. The delegated Non-Executive Director continues to be a member of the Board of Directors and shall report regularly on the execution of his/her special duty to the Board of Directors.⁵⁹

10 Appointment, reappointment and term of office

- 10.1 The members of the Board of Directors are appointed, suspended and dismissed in the manner as provided in the Articles of Association.
- 10.2 All the members of the Board of Directors shall retire per the end of the first annual General Meeting. At each annual General Meeting thereafter, one third of the Directors then in office, or if their number is not three or a multiple of three, the number nearest to one third, but not less than one third, shall resign from office, provided that at least one third of the non-executive Directors then in office, or if their number is not three or a multiple of three, the

⁵⁶ Bpp 2.2.4 of the Code and article 2:132a of the DCC

⁵⁷ Article 2:132a of the DCC

⁵⁸ Section 2:142a of the DCC

⁵⁹ Bpp 2.3.8 of the Code

number nearest to one third, but not less than one third, shall resign from office. A retiring Director may be reappointed, provided he is eligible for appointment.

- 10.3 The Executive Directors and Non-Executive Directors shall be appointed as such by the General Meeting. If a member of the Board of Directors is to be appointed, the Board of Directors shall make a binding nomination of at least the number of persons prescribed by law. The nomination of candidates for election as members of the Board of Directors shall be approved by the Board of Directors as a whole.
- 10.4 If a nomination for appointment is made by the Board of Directors, such nomination shall include the reasons. In the event of reappointment after an eight-year period, the Non-Executive Directors Report shall include the reasons for such reappointment.⁶⁰ On reappointment, the manner in which the candidate fulfilled his/her duties as Non-Executive Director shall be taken into account, including attendance at meetings of the Board of Directors and its committees.⁶¹ Executive Directors members shall be (re)appointed for a term to be determined by the Board of Directors, but in any event for a term no longer than four years.⁶²
- 10.5 The Board of Directors 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 Non-Executive Directors Profile as attached as Schedule 5. Subject to Article 10.11, Non-Executive Directors shall resign in accordance with the retirement and resignation rota.⁶³
- 10.6 The process for nomination, election and ultimately, the appointment of members of the Board of Directors shall be formal and transparent. Before nominating a candidate for election, the Board of Directors should consider the following:
- (a) the collective knowledge, skills and experience required by the Board of Directors;
 - (b) the diversity of the Board of Directors;
 - (c) whether the candidate meets the appropriate fit and proper criteria.
- 10.7 A candidate for election as a Non-Executive Director shall be requested to provide the Board of Directors with details of professional commitments and a statement that confirms that the candidate has sufficient time available to fulfil the responsibilities as member of the Board of Directors.
- 10.8 Prior to their nomination for election, candidates' backgrounds shall be independently investigated, and their qualifications shall be independently verified. A brief professional file of each candidate standing for election at the annual General Meeting, including details of existing professional commitments, shall accompany the notice of annual General Meeting,

⁶⁰ Bpp 2.2.2 of the Code

⁶¹ Section 2:142 paragraph 3 of the DCC

⁶² Bpp 2.2.1 of the Code

⁶³ Bpp 2.2.4 of the Code

together with a statement from the Board of Directors confirming whether it supports the candidate's election or re-election.

- 10.9 Members of the Board of Directors nominated for appointment shall attend the General Meeting at which votes will be cast on their nomination.⁶⁴
- 10.10 Upon election, the terms and conditions for serving as a member of the Board of Directors shall be formalised in a letter of appointment.
- 10.11 Members of the Board of Directors 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 Board of Directors. In the event of the early retirement of a member of the Board of Directors, the Company shall issue a press release mentioning the reasons for departure.⁶⁵
- 10.12 Non-Executive Directors who take on the management of the Company temporarily, where the Executive Directors are absent or unable to fulfill their duties, shall (temporarily) resign as Non-Executive Director in order to do so.⁶⁶

11 Responsibilities CEO

- 11.1 The Board of Directors shall ensure that the appointment of, and delegation to, the Executive Committee contribute to role clarity and the effective exercise of authority and responsibilities.⁶⁷
- 11.2 In addition to the coordination of the Board of Directors' policy, the CEO shall be responsible for:
- (a) leading the implementation and execution of approved strategy, policy and operational planning of the Company, which includes but is not limited to ensuring that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
 - (b) overseeing the assessment of the principal risks of the Company and process of monitoring and management of those risks;
 - (c) serving as the chief link between the Executive Committee and the Board of Directors;
 - (d) ensuring that the Executive Directors function in an effective manner;
 - (e) receiving and deciding on reports by employees of the Company of irregularities in the Company of a general, operational and financial nature, unless the Company's rules on whistleblowers provide that those employees report such irregularities to the Chairperson;
 - (f) ensuring the timely and adequate provision of information to the Board of Directors

⁶⁴ Bpp 4.1.8 of the Code

⁶⁵ Bpp 2.2.3 of the Code

⁶⁶ Bpp 2.3.9 of the Code

⁶⁷ Principle 10 of King IV

and to its individual members as necessary for the proper performance of their duties;

- (g) ensuring the annual evaluation and assessment of the functioning of the Executive Directors;
 - (h) communicating effectively with shareholders, employees, government authorities, other stakeholders and the public.
- 11.3 The CEO shall be accountable and report to the Board of Directors.
- 11.4 The CEO shall not be a member of the Audit and Risk Committee or the Nomination Committee and Remuneration Committee, but shall attend by invitation, any meeting or part thereof, if needed to contribute pertinent insights and information.
- 11.5 The CEO and Board of Directors shall agree on whether the CEO takes up any additional professional positions, including membership of other governing bodies outside the Company. Time constraints and potential conflicts of interest shall be considered and balanced against the opportunity for professional development.
- 11.6 The Board of Directors shall satisfy itself that there is succession planning for the CEO position, executive management and other key positions in place to provide opportunity for executive leadership. Succession planning will be reviewed periodically and shall provide for both succession in emergency situations and succession over the longer term.
- 11.7 The Board of Directors shall formally evaluate the performance of the CEO against agreed performance measures and targets at least annually.

12 Responsibilities CFO

- 12.1 The CFO shall be responsible for:
- (a) coordinating the preparation of and ensuring that budgets and policy plans (including strategic business plans and performance measures) are drawn up in a timely manner, monitored and implemented;
 - (b) ensuring that appropriate internal risk management and control systems are implemented, *inter alia* in order to understand and mitigate key elements of the Company's risk profile;
 - (c) drawing up the draft Annual Accounts with the corresponding Board Report, the Semi-Annual Accounts as well as other ongoing financial reports, and the provision of these documents to the Board of Directors;
 - (d) formulating and communicating the Company's financial and tax strategy and supervising the Company's external communication in respect of its financial and tax reporting;
 - (e) supervising the proper functioning of the External Auditor and the submission of his report to the Audit and Risk Committee and the Non-Executive Directors, as well as

supervising the proper functioning of any other any third parties to which accounting or finance functions have been outsourced;

- (f) overseeing the Company's transaction processing systems;
- (g) performing any other related duties as may be prescribed from time to time by the Board of Directors.

12.2 The CFO shall provide the Chairperson with a report with detailed information on the financial situation and developments of the Company quarterly. This report shall be drafted in a format agreed upon from time to time between the Chairperson and the CFO.

13 Executive Committee

13.1 The Board of Directors shall appoint an Executive Committee, consisting of all Executive Directors members and one or more key employees of the Company. The Board shall remain collectively responsible for decisions prepared by the Executive Committee.

13.2 The Board shall determine the number of members of the Executive Committee. The Board of Directors shall oversee that key management functions are headed by an individual with the necessary competence and authority and are adequately resourced.

13.3 The Board of Directors shall set the direction and parameters for the powers which are to be assigned to each individual member of the Executive Committee, other than the Executive Directors and such powers as shall be assigned to them by the Board, on or after their appointment and in conformity with the Articles of Association.

13.4 The Executive Committee shall be responsible for:

- (a) preparation and supporting the Executive Directors with their tasks;
- (b) executing the decisions of the Board;
- (c) the day-to-day management of the Company.

13.5 The members of the Executive Committee shall meet on regular basis, but in any case not less than once a month. The meetings shall generally be 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.

13.6 The CEO, and in his/her absence one of the Executive Directors, shall be appointed as chairman of the meeting.

13.7 The meetings shall be convened in due time by the CEO. Each other Executive Director may request that the CEO convenes a meeting.

13.8 The members of the Executive Committee shall attend the meetings of the Executive Committee as much as possible. Where they are unable to attend and the minutes require explanation, the chairman of the meeting shall inform them about the resolutions passed and the discussions held in the meeting in question.

- 13.9 The Executive Committee may pass resolutions on all items raised during the meeting, provided that at least the majority of the members of the Executive Committee including the CEO are present. Where possible, resolutions shall be passed by unanimous vote. If this is not possible, the resolution shall be taken by a majority of votes. If there is a tie vote, the CEO shall have the casting vote. If there is insufficient agreement at the meeting about certain subjects, the CEO may refer the relevant item on the agenda for further consideration to a following meeting.
- 13.10 The minutes of meetings of the Executive Committee shall be kept by the Company Secretary. The minutes shall be adopted by the Executive Committee at the same meeting or at a subsequent meeting.

14 Responsibilities Chairperson, Vice-Chairperson and Company Secretary

- 14.1 The Chairperson of the Board of Directors shall act on behalf of the Board of Directors as the main contact for the members of the Board of Directors and shareholders regarding the functioning of members of the Board of Directors.⁶⁸
- 14.2 The Chairperson:
- (a) determines the agenda of the meetings of the Board of Directors;
 - (b) chairs the meetings of the Board of Directors;
 - (c) ensures the appointment of the Vice-Chairperson by the Board of Directors;
 - (d) monitors and procures the proper functioning and adequate performance of the Board of Directors and its Committees;
 - (e) arranges for the adequate and timely submission of information to the members of the Board of Directors as necessary to perform their duties;
 - (f) co-ordinates the Board of Directors' 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 members of the Board of Directors and ensures that the induction or training programmes are followed;
 - (h) acts on behalf of the Board of Directors as main contact for the (central) works council and the General Meeting and ensures that contact with the Executive Directors, 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 Board of Directors;
 - (i) initiates and ensures the annual evaluation of the functioning of the Board of Directors and its members and its members as referred to in Article 21.16;
 - (j) ensures that the Board of Directors performs activities in respect of culture and long-

⁶⁸ Bpp 2.4.3 of the Code

term value creation within the meaning of Article 29;

- (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 Board of Directors without delay;
- (m) ensures that the Non-Executive Directors are 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 members of the Board of Directors within the meaning of Article 24.2(b);⁶⁹
- (o) assures effective communication with shareholders of the Company; and
- (p) ensures the orderly and efficient conduct of the General Meeting.⁷⁰

14.3 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 members of the Board of Directors concerning the functioning of the Chairperson.⁷¹ In addition, the Vice-Chairperson shall fulfil the following functions:

- (a) to serve as sounding board for the Chairperson;
- (b) to act as intermediary between the Chairperson and other members of the Board of Directors, if necessary;
- (c) to deal with shareholders' concerns where contact through the normal channels failed to resolve concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
- (d) to strengthen independence on the Board of Directors if the Chairperson is not an Independent Non-Executive Director;
- (e) to chair discussions and decision-making by the Board of Directors on matters where the Chairperson has a Conflict of Interest;
- (f) to lead the performance appraisal of the Chairperson.

14.4 The Board of Directors shall be supported by a company secretary (**Company Secretary**) to be appointed (including the employment contract and remuneration of the Company Secretary) and dismissed by the Board of Directors.⁷²

14.5 The Board of Directors shall ensure that the office of the Company Secretary is empowered and that the position carries the necessary authority.

⁶⁹ Bpp 2.6.2 and 2.6.3 of the Code

⁷⁰ Bpp 2.3.6 of the Code

⁷¹ Bpp 2.3.7 and 2.4.3 of the Code

⁷² Bpp 2.3.10 of the Code

- 14.6 The Board of Directors shall ensure that the person appointed as Company Secretary has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the Company.
- 14.7 The Company Secretary shall be primarily responsible for:
- (a) compliance of the Board of Directors' functioning with Dutch law, the Articles of Association and the rules and regulations issued pursuant thereto (including the Code, King IV and these Regulations);
 - (b) facilitate the provision of information to the Board of Directors; and
 - (c) assisting the Chairperson in the organisation of the affairs of the Board of Directors, including the provision of information, meeting agendas, evaluations and training programmes.⁷³
- 14.8 The Company Secretary shall have unfettered access to the Board of Directors, but, for reasons of independence, should maintain an arms-length relationship with it and its members, accordingly the Company Secretary shall not be a member of the Board of Directors. The Board of Directors shall consider these two points and provide an explanation in the Board Report as to why the Board of Directors believes that there is an arms-length relationship between itself and the Company Secretary.
- 14.9 The Company Secretary shall report to the Board of Directors via the Chairperson on all statutory duties and functions performed in connection with the Board of Directors. Regarding other duties and administrative matters, the Company Secretary shall report to the member of executive management designated for this purpose by the Company.
- 14.10 The performance and independence of the Company Secretary shall be evaluated annually by the Board of Directors.

15 Board committees

- 15.1 The Board of Directors shall ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with the balance of powers and the effective discharge of its duties.⁷⁴
- 15.2 The Board of Directors shall determine if and when to delegate particular roles and responsibilities to an individual member or members of the Board of Directors, or to standing *ad hoc* committees. The exercise of judgment by the Board of Directors in this regard is subject to legal requirements and should be guided by what is appropriate for the Company and achieving the objectives of the delegation.
- 15.3 Any delegation by the Board of Directors of its responsibilities to a Committee or a member of the Board of Directors will not by or of itself constitute a discharge of the Board of Directors' accountability. The Board of Directors shall apply its collective mind to the information, opinions, recommendations and statements presented by a Committee or

⁷³ Bpp 2.3.10 of the Code

⁷⁴ Principle 8 of King IV

member.

- 15.4 The Board of Directors shall appoint an Audit and Risk Committee, a Social and Ethics Committee, an Investment Committee and a Nomination and Remuneration Committee.⁷⁵ The Board of Directors shall remain collectively responsible for decisions prepared by Committees appointed from among the Non-Executive Directors.⁷⁶
- 15.5 In the event that the Board of Directors determines not to delegate all or some of its responsibilities as part of the responsibilities of a specific committee, the Board of Directors shall ensure that it fulfils those responsibilities itself.
- 15.6 The Board of Directors shall draw up regulations for each Committee which may be amended by the Board of Directors at any time and shall be reviewed annually by the Board of Directors. The regulations should, at a minimum, deal with the following:
- (a) the composition of the Committee and, if applicable, the process and criteria for appointment of any committee members who are not members of the Board of Directors;
 - (b) the Committee's overall role and associated responsibilities and functions;
 - (c) the tenure of the Committee;
 - (d) when and how the Committee should report to the Board of Directors;
 - (e) the Committee's access to resources and information;
 - (f) the meeting procedures to be followed;
 - (g) the arrangements for evaluating the Committee's performance.

The present regulations of the respective Committees are attached as Schedule 7, Schedule 8 and Schedule 9.⁷⁷

- 15.7 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 Non-Executive Directors.⁷⁸
- 15.8 The Board of Directors shall determine the number of members of each Committee.⁷⁹ Each Committee should have a minimum of three members, subject to legal provisions, where applicable.
- 15.9 When determining which of its committees the Chairperson should serve on, either as member or chair, the Board of Directors should consider how this affects the overall concentration and balance of power on the Board of Directors. Generally, the following

⁷⁵ Principle III.5 of the Code

⁷⁶ Bpp 2.3.2 and Principle 2.3 of the Code

⁷⁷ Bpp 2.3.3 of the Code

⁷⁸ Bpp 2.3.2 of the Code

⁷⁹ Number of committee members to be determined

should apply:

- (a) the Chairperson shall not be a member of the Audit and Risk committee;
- (b) the Chairperson may be a member of the Committee responsible for remuneration but should not be its chair;
- (c) the Chairperson should be a member of the Committee responsible for nominations of members of the Board of Directors and shall also be its chair;
- (d) the Chairperson may be a member of the Committee responsible for risk governance and may also be its chair; and
- (e) the Chairperson may be a member of the Social and Ethics Committee but should not be its chair.

15.10 The Board of Directors should consider the allocation of roles and associated responsibilities and the composition of membership across Committees holistically, so as to achieve the following:

- (a) effective collaboration through cross-membership between Committees, where required, coordinated timing of meetings, and avoidance of duplication or fragmented functioning in so far as possible;
- (b) where more than one Committee has jurisdiction to deal with a similar matter, the specific role and positioning of each committee in relation to such matter are defined to ensure complementary rather than competing approaches;
- (c) a balanced distribution of power in respect of membership across committees, so that no individual has the ability to dominate decision-making, and no undue reliance is placed on any individual.

15.11 The Board of Directors shall ensure that each Committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its duties effectively.

15.12 Members of the Executive Committee shall be invited to attend Committee meetings either by standing invitation or on an *ad hoc* basis to provide pertinent information and insights in their areas of responsibility.

15.13 The Board of Directors shall receive from each Committee a report of its deliberations and findings.⁸⁰

15.14 Every member of the Board of Directors is entitled to attend any Committee meeting as an observer with the consent of the chair.

16 Risk governance

16.1 The Board of Directors shall govern risk in a way that supports the Company in setting and

⁸⁰ Bpp 2.3.5 of the Code

achieving its strategic objectives.⁸¹

- 16.2 The Board of Directors shall assume responsibility for the governance of risk by setting direction for how risk should be approached and addressed in the Company. Risk governance should encompass both:
- (a) the opportunities and associated risks to be considered when developing a strategy; and
 - (b) potential positive and negative effects of the same risks on achievement of organisational objectives.
- 16.3 The Board of Directors shall treat risk as an integral to the way in which it makes decisions and executes its duties.
- 16.4 The Board of Directors shall approve policy that articulates and gives effect to its set direction on risk.
- 16.5 The Board of Directors shall distinct the following three phases in the Company's risk management and control systems:
- (a) Risk assessment: identify and analyse the risks associated with the strategy and activities of the Company and its affiliated enterprise, establish risk appetite, and also the measures that are put in place in order to counter the risks being taken;⁸²
 - (b) Implementation: design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems shall be integrated into the work processes within the Company and its affiliated enterprise, and shall be familiar to those whose operation they are relevant to;⁸³
 - (c) Monitoring of effectiveness: monitor the operation of the internal risk management and control systems and carry out a systematic assessment of their design and effectiveness at least once a year. Where necessary, improvements shall be made to internal risk management and control systems.⁸⁴
- 16.6 The Board of Directors shall discuss the effectiveness of the design and operation of the internal risk management and control systems referred to in Article 16.5 with the Audit and Risk Committee.⁸⁵
- 16.7 The Board of Directors shall delegate to the Executive Committee the responsibility to implement and execute effective risk management. The Board of Directors shall exercise ongoing oversight of risk management and, in particular, oversee that it results in the following:
- (a) an assessment of the risks and opportunities emanating from the Triple Context in

⁸¹ Principle 11 of King IV

⁸² Bpp 1.2.1 of the Code

⁸³ Bpp 1.2.2 of the Code

⁸⁴ Bpp 1.2.3 of the Code

⁸⁵ Bpp 1.4.1 of the Code

- which the Company operates and the Capitals that the Company uses and affects;
- (b) an assessment of the potential upside, or opportunity, presented by risks with potentially negative effects on achieving organisational objectives;
 - (c) an assessment of the Company's dependence on resources and relationships as represented by the various forms of Capital;
 - (d) the design and implementation of appropriate risk responses;
 - (e) the establishment and implementation of business continuity arrangements that allow the Company to operate under conditions of volatility , and to withstand and recover from acute shocks;
 - (f) the integration and embedding of risk management in the business activities and culture of the Company.
- 16.8 The Board of Directors shall consider the need to receive periodic independent assurance on the effectiveness of risk management.
- 17 Technology and information governance**
- 17.1 The Board of Directors shall govern technology and information in a way that supports the Company setting and achieving its strategic objectives.⁸⁶
- 17.2 The Board of Directors shall assume responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed within the Company.
- 17.3 The Board of Directors shall approve policy that articulates and gives effect to its set direction on the employment of technology and information.
- 17.4 The Board of Directors shall delegate to the Executive Committee the responsibility to implement and execute effective technology and information management.
- 17.5 The Board of Directors shall exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following:
- (a) integration of people, technologies, information and processes across the organisation;
 - (b) integration of technology and information risks into organisation-wide risk management;
 - (c) arrangements to provide for business resilience;
 - (d) proactive monitoring of intelligence to identify and respond to incidents, including cyber attacks and adverse social media events;

⁸⁶ Principle 12 of King IV

- (e) management of the performance of, and the risks pertaining to, third-party and outsourced service providers;
 - (f) the assessment of value delivered to the Company through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure;
 - (g) the responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security;
 - (h) ethical and responsible use of technology and information;
 - (i) compliance with relevant laws.
- 17.6 The Board of Directors shall exercise ongoing oversight of the management of information and, in particular, oversee that it results in the following:
- (a) the leveraging of information to sustain and enhance the Company's intellectual capital;
 - (b) an information architecture that supports confidentiality, integrity and availability of information;
 - (c) the continual monitoring of security information.
- 17.7 The Board of Directors shall exercise ongoing oversight of the management of technology and, in particular, oversee that it results in the following:
- (a) a technology architecture that enables the achievement of strategic and operational objectives;
 - (b) the management of risks pertaining to the sourcing of technology;
 - (c) monitoring and appropriate responses to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the Company and its business model.
- 17.8 The Board of Directors shall consider the need to receive periodic independent assurance on the effectiveness of the Company's technology and information arrangements, including outsourced services.
- 18 Compliance governance**
- 18.1 The Board of Directors shall govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen.⁸⁷
- 18.2 The Board of Directors shall assume responsibility for the governance of compliance with applicable laws and adopted, non-binding rules, codes and standards by setting the

⁸⁷ Principle 13 of King IV

direction for how compliance should be approached and addressed in the Company.

- 18.3 The Board of Directors shall approve policy that articulates and gives effect to its direction on compliance, and that identifies which non-binding rules, codes and standards the Company has adopted.
- 18.4 The Board of Directors shall delegate to the Executive Committee responsibility for implementation and execution of effective compliance management.
- 18.5 The Board of Directors shall exercise ongoing oversight of compliance and, in particular, oversee that it results in the following:
- (a) compliance being understood not only for the obligations it creates, but also for the rights and protections it affords;
 - (b) compliance management taking a holistic view on how applicable laws and non-binding rules, codes and standards relate to one another;
 - (c) continual monitoring of the regulatory environment and appropriate responses to changes and developments.
- 18.6 The Board of Directors shall consider the need to receive periodic independent assurance on the effectiveness of compliance management.

19 Remuneration

- 19.1 The Board of Directors shall ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.⁸⁸
- 19.2 The Board of Directors shall assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis.
- 19.3 The Board of Director shall approve policy that articulates and gives effect to its discretion of fair, reasonable and transparent remuneration.
- 19.4 The remuneration of the Executive Directors shall be determined by the Board of Directors within the scope of the remuneration policy adopted by the General Meeting.⁸⁹ The amount of the remuneration of each individual Executive Director shall be determined by the Board of Directors.⁹⁰ Any remuneration in the form of Shares or rights to subscribe for Shares will be subject to the approval of the General Meeting.⁹¹
- 19.5 The Board of Directors may recover from the Executive Directors any variable remuneration awarded on the basis of incorrect financial or other data.⁹²

⁸⁸ Principle 14 of King IV

⁸⁹ Section 2:135 paragraph 4 DCC and principle 3.2 of the Code

⁹⁰ Article 15.4 of the Articles of Association

⁹¹ Section 2:135 paragraph 4 DCC and article 15.4 of the Articles of Association

⁹² Section 2:135 paragraph 8 DCC

- 19.6 The remuneration policy shall record the measures that the Board of Directors commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised. Such measures shall provide for taking steps in good faith and with reasonable effort towards the following at a minimum:
- (a) an engagement process to ascertain the reasons for dissenting votes;
 - (b) appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes.
- 19.7 In the event that either the remuneration policy or the implementation report, or both were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the remuneration report succeeding the voting:
- (a) with whom the Company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and
 - (b) the nature of steps taken to address legitimate and reasonable objections and concerns.
- 19.8 The remuneration of the Non-Executive Directors shall be determined by the General Meeting upon a clear and understandable proposal by the Board of Directors.⁹³
- 19.9 In determining the remuneration of the Non-Executive Directors, the following requirements must be observed:
- (a) the remuneration of the Non-Executive Directors shall promote an adequate performance of their role and shall not be dependent on the results of the Company;⁹⁴
 - (b) the remuneration of the Non-Executive Directors shall reflect the time spent and the responsibilities of their role;⁹⁵
 - (c) none of the Non-Executive Directors may receive Shares and/or options or similar rights to acquire Shares as part of their remuneration;⁹⁶
- 19.10 Non-Executive Directors 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 Board of Directors on an annual basis on the policy of reimbursement of expenses.
- 19.11 If the Non-Executive Directors are required to charge VAT on their fees, the Company shall pay the amount of VAT.

⁹³ Section 2:145 DCC and principle 3.3 of the Code

⁹⁴ Principle 3.3 of the Code

⁹⁵ Bpp 3.3.1 of the Code

⁹⁶ Bpp 3.3.2 of the Code

19.12 Members of the Board of Directors will not be granted any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Board of Directors. Remission of loans shall not be granted.⁹⁷

20 Induction programme and ongoing training and education

20.1 After their appointment, all members of the Board of Directors 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 member of the Board of Directors.⁹⁸

20.2 The Board of Directors will conduct an annual review to identify any aspects with regard to which the members of the Board of Directors require further training or education during their term of office.⁹⁹

21 Board meetings (agenda, teleconferencing, attendance, minutes) and resolutions

21.1 The Board of Directors shall hold meetings on a regular basis at a time to be determined by the Board of Directors and whenever one or more of its members have requested a meeting. The meetings shall generally be 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.

21.2 The meetings shall be convened in due time by the Chairperson. Each other member of the Board of Directors may request that the Chairperson convenes a meeting.

21.3 The Chairperson, and in his absence the Vice-Chairperson, shall chair the meeting. If both are absent, the meeting shall appoint one of the Non-Executive Directors as chairman of the meeting.

21.4 The Chairperson shall determine the agenda of each meeting. Each other member of the Board of Directors may submit to the Chairperson items to be discussed in the meeting. An item to be discussed which has not been submitted on time or is not supported by sufficient documentation shall not be placed on the agenda.

21.5 At the request of a member of the Board of Directors and with the agreement of the majority of the other members of the Board of Directors, urgent matters may be discussed immediately or in an additional meeting.

21.6 The members of the Board of Directors must attend the meetings of the Board of Directors. Where they are unable to attend and the minutes require explanation, the chairperson of the meeting shall inform them about the resolutions passed and the discussions held in the meeting in question.

⁹⁷ Bpp 2.7.6 of the Code

⁹⁸ Bpp 2.4.5 of the Code

⁹⁹ Bpp 2.4.6 of the Code

- 21.7 Non-Executive Directors who are frequently absent during meetings of the Board of Directors shall be asked by the Chairperson to explain their absence. The Non-Executive Directors Report shall state the absenteeism rate from Board of Directors and Committee meetings of each Non-Executive Directors.¹⁰⁰
- 21.8 The Company Secretary may attend the meetings of the Board of Directors. The Chairperson may decide to permit others to attend a meeting as well.
- 21.9 Minutes of the meeting shall be prepared by the secretary of the meeting. They shall generally be adopted by the Board of Directors at the same meeting or a subsequent meeting. A certificate signed by the chairperson and the secretary of the meeting confirming that the Board of Directors 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 Board of Directors as soon as practically possible. The Company Secretary may issue and sign extracts of the adopted minutes.
- 21.10 The Board of Directors may in principle pass resolutions only if at least the majority of the members of the Board of Directors are present, with the proviso that members who have a Conflict of Interest shall not be taken into account when calculating this quorum. The Chairperson may depart from the principle as referred to in the previous sentence with respect to decision making in urgent situations. If there is still no majority in the next meeting, the chairperson of the meeting shall consult with the absent members of the Board of Directors by telephone or in writing if he/she believes that a resolution is required.
- 21.11 Where possible, resolutions shall be passed by unanimous vote. If this is not possible, resolutions of the Board of Directors shall require a simple majority, 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.
- 21.12 If there is insufficient agreement at the meeting about certain subjects, the chairperson of the meeting may refer the relevant item on the agenda for further consideration.
- 21.13 With due observance of the provisions of these Regulations and the Articles of Association, resolutions of the Board of Directors may be adopted outside of a meeting, in writing or otherwise, provided that the proposal concerned is submitted to all members of the Board of Directors then in office and none of them objects to this manner of decision making. The Company Secretary shall keep a record of each resolution adopted outside of a meeting. The adoption of resolutions outside of a meeting must be reported at the next meeting.
- 21.14 Without prejudice to the provisions of the law and the Articles of Association, resolutions of the Board of Directors referred to in Schedule 10 can be adopted with a majority of the votes cast by the Executive Directors and the majority of the votes cast by the Non-Executive Directors in a meeting of the Board of Directors in which all members of the Board of Directors are present or represented.
- 21.15 Furthermore, resolutions regarding a significant change of the identity or character of the

¹⁰⁰ Bpp 2.4.4 of the Code

Company or its affiliated enterprise, shall be adopted by the Board of Directors and require the approval of the General Meeting, which resolutions include in any event:

- (a) the transfer of the enterprise or practically the entire enterprise to a third party;
- (b) the conclusion or cancellation of any long-lasting cooperation by the Company or a Subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the cancellation thereof is of essential importance to the Company;
- (c) the acquisition or disposal of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets according to the consolidated balance sheet with explanatory notes thereto according to the last adopted Annual Accounts, by the Company or a Subsidiary;¹⁰¹
- (d) any transaction which the Applicable Listing Rules require to be approved or ratified by Shareholders.

21.16 Meetings concerning:

- (a) the evaluation of the functioning of the Board of Directors and its individual members and the conclusions to be drawn from that evaluation, such also in light of the succession of Executive Directors;¹⁰²
- (b) (potential) Conflicts of Interest of members of the Executive Directors,¹⁰³
shall not be attended by the Executive Directors.

21.17 The ongoing items to be considered and discussed at Board of Directors 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;¹⁰⁴
- (b) at least annually, the other positions of members of the Board of Directors outside the Company and its Subsidiaries;¹⁰⁵
- (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 Board of Directors action;

¹⁰¹ Section 2:107a DCC

¹⁰² Bpp 2.2.7 of the Code

¹⁰³ Bpp 2.7.3 of the Code

¹⁰⁴ Bpp 1.1.3 of the Code

¹⁰⁵ Bpp 2.4.2 of the Code

- (h) the corporate strategy (and changes thereto);
- (i) the main risks of the business;
- (j) the result of the evaluation of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto.

21.18 The External Auditor shall be requested to attend each Board of Directors meeting at which the reports of the External Auditor on the audit of the Annual Accounts are discussed.¹⁰⁶

21.19 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 Non-Executive Director other than the Chairperson, to be designated for such purposes by the Board of Directors.

22 Evaluation of the performance of the Board of Directors

22.1 The Board of Directors shall ensure that the evaluation of its own performance and that of its Committees, the Chairperson and individual members of the Board of Directors, support continued improvement in its performance and effectiveness.¹⁰⁷

22.2 In evaluating the functioning of the Board of Directors and its individual members, attention shall be paid to:

- (a) substantive aspects, the mutual interaction and the interaction with the Executive Directors;
- (b) events that occurred in practice from which lessons may be learned; and
- (c) the desired profile, composition, competencies and expertise of the Non-Executive Directors.¹⁰⁸

22.3 The Board of Directors assumes responsibility for the evaluation of its own performance and that of its Committees, the Chairperson and individual members of the Board of Directors. The Board of Directors shall determine how such evaluation is approached and conducted.

22.4 The Vice- Chairperson shall lead the evaluation of the Chairperson's performance.

22.5 A formal process, either externally facilitated or not in accordance with methodology approved by the Board of Directors should be followed for evaluating the performance of the Board of Directors, its Committees, the Chairperson and individual members of the Board of Directors at least annually.

23 Conflict of Interest

23.1 Subject to legal provisions, each member of the Board of Directors shall submit to the Board of Directors a declaration of all financial, economic and other interests held by the member and related parties at least annually, or whenever there are significant changes.

¹⁰⁶ Bpp 1.7.6 of the Code

¹⁰⁷¹⁰⁷ Principle 9 of King IV

¹⁰⁸ Bpp 2.2.6 of the Code

23.2 A member of the Board of Directors 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 23.3 or Section 2:140 paragraph 5 DCC (**Conflict of Interest**).¹⁰⁹ Such transaction must be concluded on terms customary in the branch concerned and be approved by the Board of Directors. The Chairperson shall procure that transactions in respect of which members of the Board of Directors 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 23.1, 23.3, 23.5 and 23.7 were complied with.¹¹⁰

23.3 A member of the Board of Directors 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 member of the Board of Directors holds Shares or is entitled to obtain Shares, is in itself insufficient to determine that a Conflict of Interest exists to which Article 23.1 applies.

23.4 To prevent Conflicts of Interest, members of the Board of Directors 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

¹⁰⁹ Article 2:129 paragraph 6 DCC

¹¹⁰ Bpp 2.7.4 of the Code

companion, foster child or relative by blood or marriage up to the second degree.¹¹¹

- 23.5 At the beginning of each meeting of the Board of Directors or its Committees, all members shall be required to declare whether any of them has any Conflict of Interest in respect of a matter on the agenda. Any Conflicts of Interest shall be proactively managed as determined by Board of Directors and subject to legal provisions.
- 23.6 Each member of the Board of Directors (other than the Chairperson) shall immediately report any potential Conflict of Interest concerning a member of the Board of Directors to the Chairperson. The member of the Board of Directors 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 23.1 applies.¹¹²
- 23.7 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 23.1 applies.¹¹³
- 23.8 In case a (potential) Conflict of Interest is reported in respect of the External Auditor the Board of Directors 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 23.8 was complied with.

24 Complaints and whistleblowing

- 24.1 The Board of Directors shall ensure that complaints of a general, operational and financial nature within the Company and its Subsidiaries and, more specifically, in relation to the financial reporting, the internal risk management and control systems and the audit are received, recorded and dealt with.
- 24.2 The Board of Directors shall ensure that employees have the opportunity, without jeopardising their legal position:
- (a) to report irregularities in respect of matters referred to in Article 24.1 to the CEO or to an official designated by the Board of Directors; and

¹¹¹ Bpp 2.7.1 of the Code

¹¹² Bpp 2.7.3 of the Code

¹¹³ Bpp 2.7.3 of the Code

- (b) complaints about members of the Board of Directors to the Chairperson.¹¹⁴

25 Relationship with the General Meeting and stakeholders

- 25.1 In execution of its governance role and responsibilities, the Board of Directors shall adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time.¹¹⁵
- 25.2 In accordance with the Articles of Association, General Meetings may be convened at the request of the Board of Directors. 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.
- 25.3 The Board of Directors shall oversee that the Company encourages proactive engagement with shareholders, including engagement with the General Meeting.
- 25.4 Members of the Board of Directors 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.¹¹⁶ 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.
- 25.5 The Board of Directors 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 Board of Directors shall specify the reasons for invoking such important interests.¹¹⁷
- 25.6 The Board of Directors shall inform the shareholders by means of explanatory notes to the agenda of all facts and circumstances relevant to the matters included in the agenda.¹¹⁸
- 25.7 The agenda of the General Meeting should list which items are up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items:
- (a) material changes to the Articles of Association;
 - (b) proposals relating to the appointment of members of the Board of Directors;
 - (c) the policy of the Company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend);
 - (d) any proposal to pay out dividend;

¹¹⁴ Bpp II.1.7 of the Code

¹¹⁵ Principle 16 of King IV

¹¹⁶ Bpp 4.1.2 of the Code

¹¹⁷ Section 2:107 paragraph 2 DCC and bpp 4.2.1 of the Code

¹¹⁸ Bpp 4.1.4 of the Code

- (e) discharge of Executive Directors from liability;
 - (f) discharge of Non-Executive Directors from liability;
 - (g) each substantial change in the corporate governance structure of the company and in the compliance with this Code;
 - (h) the appointment of the External Auditor¹¹⁹; and
 - (i) the main conclusions of the assessment of the functioning of the External Auditor.
- 25.8 The minutes of the General Meeting shall be made available publically.
- 25.9 The Board of Directors shall ensure that the designated partner of the External Auditor attends the annual General Meeting.
- 25.10 The Board of Directors shall adopt, a policy in respect of bilateral contacts with the General Meeting and the Company's shareholders and that articulates and gives effect to its direction on stakeholder relationships.¹²⁰ The Company's current policy is attached hereto as Schedule 13.
- 25.11 The Board of Directors shall assume responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the Company.
- 25.12 The Board of Directors shall delegate to the Executive Committee the responsibility for implementation and execution of effective stakeholder relationship management.
- 25.13 The Board of Directors shall exercise ongoing oversight of stakeholder relationship management and, in particular, oversee that it results in the following:
- (a) methodologies for identifying individual stakeholders and stakeholder groupings;
 - (b) determination of material stakeholders based on the extent to which they affect, or are affected by, the activities, outputs and outcomes of the Company;
 - (c) management of stakeholder risk as an integral part of organisation-wide risk management;
 - (d) formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes;
 - (e) measurement of the quality of material stakeholder relationships and appropriate responses to the outcomes.
- 25.14 The Board of Directors shall assume responsibility for governance across the group by setting direction for how the relationships and exercise of power within the group should be approached and conducted.

¹¹⁹ Bpp 4.1.3 of the Code

¹²⁰ Bpp 4.2.2 of the Code

- 25.15 The Board of Directors shall approve a group governance framework that articulates and gives effect to its direction on relationships and the exercise of authority across the group.
- 25.16 The Board of Directors shall ensure that the boards of subsidiaries are included in the development of the group governance framework.
- 25.17 The Board of Directors shall ensure that the group governance framework does not conflict with the Articles of Association, delegations of authority, shareholder agreements, the Regulations, Committee regulations and related policies and agreements within the group.
- 25.18 The Board of Directors shall ensure that the group governance framework recognises each subsidiary within the group as a separate and independent juristic person to whom its directors owe fiduciary duties.
- 25.19 The Board of Directors shall ensure that the group governance framework addresses governance matters as is appropriate for the group, including the following:
- (a) delineation of the rights and role of the Company;
 - (b) if applicable, delegation of certain responsibilities by the board of directors of a subsidiary to a Committee of the Board of Directors, without abdicating accountability, and subject to agreed reporting and information-sharing arrangements;
 - (c) the extent to which governance and operational policies of the Company have been adopted by subsidiary companies in the group;
 - (d) engagement by the Company with the board of a subsidiary company before the Company exercises its right to elect directors to the board of the subsidiary;
 - (e) arrangements to address the risk of breaching legal duty in relation to the use of information obtained while acting as director of one company in the group for the purposes of another company in the group.
- 25.20 The Board of Directors shall ensure that the agreed group governance framework is implemented across the group.
- 25.21 The Board of Directors shall ensure that the Company's shareholders are treated equitably, and that the interests of minority shareholders are adequately protected.
- 25.22 The Board of Directors is responsible for the corporate governance structure of the Company and must give account to the General Meeting in relation to such structure.¹²¹ 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 Board of Directors 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;

¹²¹ Introduction 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.¹²²

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.¹²³

26 Assurance

- 26.1 The Board of Directors shall ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and the Company's external reports.¹²⁴
- 26.2 The Board of Directors shall assume responsibility for assurance by setting direction concerning the arrangements for assurance services and functions. The Board of Directors shall delegate to the Audit and Risk Committee the responsibility for overseeing that those arrangements are effective in achieving the following objectives:
 - (a) enabling an effective internal control environment;
 - (b) supporting the integrity of information used for internal decision-making by the Executive Committee, the Board of Directors and its Committees;
 - (c) supporting the integrity of external reports.
- 26.3 The Board of Directors shall satisfy itself that a combined assurance model is applied which incorporates and optimises the various assurance services and function so that, taken as a whole, these support the objectives for assurance.
- 26.4 The Board of Directors shall oversee that the combined assurance model is designed and implemented to cover effectively the Company's significant risk and material matters through a combination of the following assurance service providers and functions as is appropriate for the Company:
 - (a) the Company's line functions that own and manage risks;
 - (b) the Company's specialist functions that facilitate and oversee risk management and compliance;

¹²² Introduction of the Code

¹²³ Bpp 4.1.3 of the Code

¹²⁴ Principle 15 of King IV

- (c) if appointed, internal auditors, internal forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries;
 - (d) independent external assurance providers, such as and including the External Auditor;
 - (e) if appointed, other external assurance providers such as sustainability and environmental auditors, external actuaries and external forensic fraud examiners and auditors;
 - (f) regulatory inspectors.
- 26.5 The Board of Directors and its Committees shall assess the output of the Company's combined assurance with objectivity and professional scepticism, and by applying an enquiring mind, form their own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved.
- 26.6 The Board of Directors will assume responsibility for the integrity of external reports issued by the Company by setting the direction for how assurance of these should be approached and addressed.
- 26.7 The Board of Directors; direction in this regard shall take into account legal requirements in relation to assurance, with the following additional considerations:
- (a) whether assurance should be applied to the underlying data used to prepare a report, or to the process for preparing and presenting the report, or both;
 - (b) whether the nature, scope and extent of assurance are suited to the intended audience and purpose of the report;
 - (c) the specification of applicable criteria for the measurement or evaluation of the underlying subject matter of the report.
- 26.8 The Board of Directors shall satisfy itself that the combined assurance model is effective and sufficiently robust for the Board of Directors to be able to place reliance on the combined assurance underlying the statements that the Board of Directors makes regarding the integrity of the Company's external reports.
- 26.9 External reports should disclose information about the type of assurance process applied to each report, in addition to the independent, external audit opinions provided in terms of legal requirements. This information should include:
- (a) a brief description of the nature, scope and extent of the assurance functions, services and processes underlying the preparation and presentation of the report; and
 - (b) a statement by the Board of Directors on the integrity of the report and the basis for this statement, with reference to the assurance applied.

- 26.10 The Board of Directors shall assume responsibility for internal audit by setting the direction for the internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes. The Board of Directors shall delegate oversight of internal audit to the Audit and Risk Committee.
- 26.11 The Board of Directors shall approve an internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted.
- 26.12 The Board of Directors shall ensure that the arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the Company, and that internal audit is supplemented as required by specialist services such as those provided by forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries.
- 26.13 If a chief audit executive (**CAE**) position is provided for in the arrangements for internal audit, the Board of Directors should ensure that the position is set up to function independently from management who designs and implements the controls that are in place, and that the position carries the necessary authority.
- 26.14 The Board of Directors shall approve the appointment of the CAE, including the employment contract and remuneration of the CAE, and ensure that the person who fills the position has the necessary competence, gravitas and objectivity. The Board of Directors shall have primary responsibility for the removal of the CAE.
- 26.15 The CAE shall have access to the chair of the Audit and Risk Committee. The CAE shall not be a member of executive management, but should be invited to attend executive meetings, as necessary, to be informed about strategy and policy decisions and their implementation.
- 26.16 If the internal audit services are cosourced or outsourced, the Board of Directors shall ensure that there is clarity on who fulfils the role of CAE.
- 26.17 The CAE shall report to the chairman of the Audit and Risk Committee on the performance of duties and functions that relate to internal audit. On other duties and administrative matters, the CAE shall report to the member of executive management designated for this purpose.
- 26.18 The Board of Directors shall monitor on an ongoing basis that the internal audit:
- (a) follows an approved risk-based internal audit plan; and
 - (b) reviews the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
- 26.19 The Board of Directors shall ensure that the internal audit provides an overall statement annually as to the effectiveness of the Company's governance, risk management and control processes.

- 26.20 The Board of Directors shall ensure that an external, independent quality review of the internal audit function is conducted at least once every five years.
- 26.21 The Board of Directors shall obtain confirmation annually from the CAE that internal audit conforms to the relevant recognised industry code of ethics.
- 26.22 The Board of Directors will involve the External Auditor in drawing up the work schedule of the internal auditor, if appointed. The CAE shall have access to the External Auditor and to the chairman of the Audit and Risk Committee.
- 26.23 The remuneration of the External Auditor, and instructions to the External Auditor to provide non-audit services, shall be approved by the Board of Directors.¹²⁵

27 Relationship with the internal and the External Auditor

- 27.1 The Board of Directors shall ensure that the External Auditor will receive all information that is necessary for the performance of his/her work in a timely fashion. The Board of Directors shall give the External Auditor the opportunity to respond to the information that has been provided.¹²⁶
- 27.2 The External Auditor shall discuss the draft audit plan with the Executive Directors before presenting it to the Audit and Risk Committee.¹²⁷
- 27.3 The Board of Directors shall be permitted to examine the most important points of discussion arising between the External Auditor and the Executive Directors based on the draft management letter or the draft audit report.¹²⁸
- 27.4 In case there is an internal audit function present, the Board of Directors is responsible for the internal audit function.¹²⁹ The internal audit function shall have sufficient resources to execute the internal audit plan and have access to information that is important for the performance of its work. The internal audit function shall have direct access to the Audit and Risk Committee and the External Auditor. Records shall be kept of how the audit and risk committee is informed by the internal audit function.
- 27.5 The Non-Executive Directors shall meet with the External Auditor as often as they consider necessary, but at least once a year, without the Executive Directors being present.¹³⁰
- 27.6 The External Auditor shall in any event attend the meeting of the Board of Directors at which the report of the External Auditor of the financial statements is discussed.¹³¹
- 27.7 The CEO, the CFO, the External Auditor and the internal auditor (if appointed), shall attend the meetings of the Audit and Risk Committee, unless the Audit and Risk Committee

¹²⁵ Principle V.2 of the Code

¹²⁶ Bpp 1.7.1 of the Code

¹²⁷ Bpp 1.7.2 of the Code

¹²⁸ Bpp 1.7.5 of the Code

¹²⁹ Principle 1.3 of the Code

¹³⁰ Bpp 1.7.4 of the Code

¹³¹ Bpp 1.7.6 of the Code

determines otherwise.¹³²

- 27.8 The Non-Executive Directors shall give the External Auditor a general idea of the content of the reports relating to his/her functioning.¹³³

28 Relationship with the works council

- 28.1 The Chairperson will act on behalf of Board of Directors 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 Board of Directors.¹³⁴

- 28.2 In meetings between the Board of Directors and the (central) works council, the conduct and culture in the Company and its affiliated enterprise shall also be discussed.¹³⁵

29 Culture and long-term value creation

The Board of Directors is responsible for creating a culture aimed at long-term value creation for the Company, its Subsidiaries and their affiliated enterprise. The Non-Executive Directors shall supervise the activities of the Board of Directors in this regard and discuss such values with the Executive Directors.¹³⁶

30 Takeover situations

- 30.1 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 notes¹³⁷ and/or (iii) other substantial changes in the structure of the organisation is in the process of being prepared, the full Board of Directors shall be closely involved in the takeover process at an early stage.¹³⁸

- 30.2 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 30.1 the Board of Directors shall ensure that the stakeholder interests concerned are carefully weighed and any Conflict of Interest for members of the Board of Directors is avoided.¹³⁹

- 30.3 If a takeover bid has been announced or made for the Company and the Board of Directors receives a request from a competing bidder to inspect the Company's records, the Board of Directors shall discuss this request without delay.¹⁴⁰

31 Holding and trading securities

- 31.1 In case any member of the Board of Directors hold securities in the Company, this will be

¹³² Bpp 1.5.2 of the Code

¹³³ Bpp 1.6.2 of the Code

¹³⁴ Bpp 2.3.1 of the Code

¹³⁵ Bpp 2.5.3 of the Code

¹³⁶ Principle 2.5 and bpp 2.5.1 of the Code

¹³⁷ Section 2:107a paragraph 1 sub c DCC

¹³⁸ Bpp 2.3.6 and 2.8.1 of the Code

¹³⁹ Principle 2.8 of the Code

¹⁴⁰ Bpp 2.8.2 of the Code

for the purpose of long-term investment; members of the Board of Directors will refrain from short-term transactions in securities in the Company.¹⁴¹

- 31.2 With respect to securities in the Company, members of the Board of Directors 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 Company¹⁴² and securities in other companies.

32 Confidentiality

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

33 Non-compliance and amendment

- 33.1 The Board of Directors may amend these Regulations.
- 33.2 Without prejudice to the provisions in the Articles of Association, the Board of Directors may occasionally decide at its sole discretion not to comply with and adhere to these rules pursuant to a resolution of the Board of Directors to that effect. Such resolutions shall be explained in the Board Report.
- 33.3 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.
- 33.4 If one or more provisions of these Regulations are or become invalid, this shall not affect the validity of the remaining provisions. The Board of Directors 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.

34 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).

¹⁴¹ Bpp 3.3.3 of the Code

¹⁴² Section 5:65 of the Dutch financial supervision act (*Wet op het financieel toezicht*)

The following Schedules are attached to and from part of these Regulations:

SCHEDULE 1

List of Definitions

SCHEDULE 2

Overview of information to be placed on the Company's website

SCHEDULE 3

Overview of information to be included in the Board Report

SCHEDULE 4

Information to be included in the Non-Executive Directors Report

SCHEDULE 5

Non-Executive Directors Profile

SCHEDULE 6

Retirement & Resignation Rota

SCHEDULE 7

Regulations Audit and Risk Committee

SCHEDULE 8

Nomination and Remuneration Committee

ANNEX to Nomination and Remuneration Committee Regulations

Information to be included in remuneration report

SCHEDULE 9

Investment Committee Regulations

SCHEDULE 10

Regulations Social and Ethics Committee

SCHEDULE 11

Reserved matters

SCHEDULE 12

List of resolutions that require approval of the General Meeting

SCHEDULE 13

Policy on bilateral contacts with shareholders

Schedule 1

LIST OF DEFINITIONS

In these Regulations, the following terms have the following meanings:

Annual Accounts	the annual accounts of the Company as referred to in Section 2:101 DCC;
Applicable Listing Rules	the rules and/or regulations issued and enforced by any Applicable Listing Authority from time to time;
Articles of Association	the articles of association of the Company, as amended from time to time;
Articles of Association	the articles of association of the Company, as amended from time to time;
Audit and Risk Committee	the audit and risk committee of the Board of Directors;
Audit and Risk Committee Regulations	the regulations of the Audit and Risk Committee attached as <u>Schedule 7</u> ;
Board of Directors	the board of directors of the Company;
Board Report	the board report of the Company, drawn up by the Board of Directors, as referred to in Section 2:391 DCC and regulations promulgated thereunder or in connection therewith;
CAE	the Chief Audit Executive of the Company;
Capitals	The Capitals are stocks of values on which all organisations depend for their success as inputs for their business model, and which are increased, decreased or transformed through an organisation's business activities and outputs. These capitals consist of financial, manufactured, intellectual, human, social and relationship, and natural capital, as described in the International Reporting Framework of the International Integrated Reporting Council;
CEO	the Chief Executive Officer of the Company;
CFO	the Chief Financial Officer of the Company;
Chairperson	the chairperson of the Board of Directors;
Code	the Dutch corporate governance code, as amended from time to time;

Committees	the Audit and Risk Committee, the Nomination and Remuneration Committee, the Social and Ethics Committee, and the Investment Committee, and any other committee installed by the Board of Directors;
Company	EPP N.V.;
Company Secretary	the company secretary of the Company as referred to in Article 25 of the Articles of Association;
Conflict(s) of Interest	has the meaning attributed thereto in Article 23;
DCC	the Dutch civil code;
Executive Director	a member of the Board of Directors appointed by the General Meeting as executive director of the Board of Directors;
External Auditor	the auditor of the Company as referred to in Section 2:393 DCC;
General Meeting	the general meeting of the Company;
Investment Committee	the investment committee of the Board of Directors;
Investment Regulations	the regulations of the Investment Committee attached as Schedule 9;
King IV	the King IV report on corporate governance for South Africa, 2016;
Non-Executive Director	a member of the Board of Directors appointed by the General Meeting as non-executive director of the Board of Directors;
Non-Executive Report	the report prepared and published by the Non-Executive Directors and as defined in 8.4;
Nomination and Remuneration Committee	the nomination and remuneration committee of the Board of Directors;
Nomination and Remuneration Regulations	the regulations of the Nomination and Remuneration Committee attached as <u>Schedule 8</u> ;
Regulations	the regulations of the Board of Directors;
Remuneration Report	the remuneration report of the Board of Directors concerning the remuneration policy of the Company as drawn up by the Nomination and Remuneration Committee, which shall include the information referred

	to in Article 1.5 of the Nomination and Remuneration Committee Regulations;
Semi-Annual Accounts	the semi-annual accounts of the Company as referred to in Section 5:25d Dutch financial supervision act (<i>Wet op het financieel toezicht</i>);
Share	a share in the capital of the Company; unless the contrary is apparent, this shall include each Share;
Social and Ethics Committee	the social and ethics committee of the Board of Directors;
Social and Ethics Committee Regulations	the regulations of the Social and Ethics Committee attached as Schedule 10;
Subsidiary	a subsidiary of the Company within the meaning of Section 2:24a DCC;
Vice-Chairperson	the vice-chairperson of the Board of Directors;
Triple Context	the combined context of the economy, society and environment in which the Company operates;
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

OVERVIEW OF INFORMATION TO BE PLACED ON THE COMPANY'S WEBSITE

(pursuant to the Code)

Best practice provision	What information?	Check
Introduction	A broad outline of the Company's corporate governance is set out each year in a separate chapter of the Board Report or published on the Company's website.	
2.1.1	The Company's Non-Executive Directors Profile.	
2.2.4	The Non-Executive Directors' retirement schedule.	
2.3.1	The rules and regulations of the Board of Directors in respect of the division of duties within the Board of Directors and the procedures of the Board of Directors.	
2.3.3	The rules and regulations of the Board of Directors' committees (i.e. at least the audit and risk committee and the nomination and remuneration committee).	
2.5.2	The Company's code of conduct.	
3.4	The remuneration report of the Board of Directors.	
3.4.2	The main elements of the agreement of an Executive Director with the Company.	
4.1.4	The explanatory notes to resolutions that shall be approved by the General Meeting as well as the agenda of the meeting.	
4.1.10	The minutes of the General Meeting shall be made public no later than three months after the end of the meeting.	
4.2.2	The Company's policy on bilateral contacts with the shareholders.	
4.2.3	Announcements convening meetings with analysts, presentations to analysts, presentations to investors and institutional investors and as well as the relevant presentation (to be posted after the meeting).	
4.2.4	Information which is relevant to the shareholders and which the Company is required to publish or deposit pursuant to the provisions of company law and securities	

	law applicable to it (to be placed in a separate section of the Company's website).	
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(pursuant to King IV)

Best practice provision	What information?	Check
Principle 5. 15	The Board of Directors should oversee that the following information is published on the Company's website: (i) corporate governance disclosures required in terms of King IV, as set out in Schedule 3; (ii) integrated reports; (iii) annual financial statements and other external reports.	

OVERVIEW OF INFORMATION TO BE PLACED ON THE COMPANY'S WEBSITE

(pursuant to applicable company law and securities law)

Provision	What information?	Check
2:75 DCC	The Company's full name and statutory seat should be published on each document, printed document or announcement made by the Company.	
2:75 DCC	If the Company posts its capital, it should also state clearly which part of its capital is issued and what part is paid up.	
27 Trade register Act	The Company's trade register number must be stated on each letter or announcement made by the Company.	
2:113 DCC	<ul style="list-style-type: none"> (a) The convocation of the General Meeting, including the agenda, the time and place of the meeting; (b) To the extent applicable, the documentation to be submitted to the General Meeting; (c) The proposed resolutions of the General Meeting. 	
2:117(6) DCC	The form of power of attorney to represent a shareholder or holder of depositary receipts at the General Meeting.	
2:113 DCC	Any amendment to the Articles of Association	

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Schedule 3

OVERVIEW OF INFORMATION TO BE INCLUDED IN THE BOARD REPORT

(pursuant to the Code)

Best practice provision	What information?	Check
1.1.4 Code	In the Board Report, the Board of Directors shall give a more detailed explanation of its view on long-term value creation and the strategy for its realisation, as well as describe which contributions were made to long-term value creation in the past financial year. The Board of Directors shall report on both the short-term and long-term developments.	
1.4.2 Code	<p>In the Board Report, the Board of Directors shall give account of:</p> <ul style="list-style-type: none"> (a) the execution of the risk assessment, with a description of the principal risks facing the Company in relation to its risk appetite. These risks may include strategic, operational, compliance and reporting risks; (b) the design and operation of the internal risk management and control systems during the past financial year; (c) any major failures in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the Audit and Risk Committee and the Board of Directors; and (d) the sensitivity of the results of the Company to material changes in external factors. 	
1.4.3 Code	<p>The Board of Directors shall state in the Board Report, with clear substantiation, that:</p> <ul style="list-style-type: none"> (a) the report provides sufficient insights into any failures in the effectiveness of the internal risk management and control systems; (b) the aforementioned systems provide reasonable 	

Best practice provision	What information?	Check
	<p>assurance that the financial reporting does not contain any material inaccuracies;</p> <p>(c) based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and</p> <p>(d) the report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.</p>	
2.1.3	<p>In the Board Report, account shall be given of:</p> <p>(a) the choice to work with an Executive Committee;</p> <p>(b) the role, duty and composition of the Executive Committee; and</p> <p>(c) how the contacts between the Non-Executive Directors and the Executive Committee have been given shape.</p>	
2.5.5	<p>In the Board Report, the Board of Directors shall explain:</p> <p>(d) the values and the way in which they are incorporated in the Company and its affiliated enterprise; and</p> <p>(e) the effectiveness of, and compliance with, the code of conduct.</p>	
2.7.4	<p>Decisions to enter into transactions in which there are Conflicts of Interest with members of the Board of Directors that are of material significance to the Company and/or to the relevant members of the Board of Directors shall be published in the Board Report, together with a statement of the Conflict of Interest and a declaration that best practice provisions 2.7.3 and 2.7.4 have been complied with.</p>	
2.7.5	<p>Decisions to enter into transactions with legal or natural persons who hold at least ten percent of the Shares that are of material significance to the Company and/or to such persons shall be published in the Board Report, together with a declaration that best practice provision 2.7.5 has been complied with.</p>	
4.2.6	<p>The Board of Directors shall outline all existing or potential anti-takeover measures in the Board Report and shall also indicate in what circumstances and by whom these measures may likely be used.</p>	

(pursuant to King IV)

Best practice provision	What information?	Check
Principle 1. 3	The arrangements by which members of the Board of Directors are being held to account for ethical and effective leadership, including, but not limited to, codes of conduct and performance evaluations of the Board of Directors and its members.	
Principle 2.10	The following should be disclosed in relation to organisational ethics (i) an overview of the arrangements for governing and managing ethics; (ii) key areas of focus during the reporting period; (iii) measures taken to monitor organisational ethics and how the outcomes were addressed; and (iv) planned areas of future focus.	
Principle 3.15	The following should be disclosed in relation to corporate citizenship: (i) an overview of the arrangements for governing and managing responsible corporate citizenship; (ii) key areas of focus during the reporting period; (iv) measures taken to monitor corporate citizenship and how outcomes were addressed; (iv) planned areas of future focus.	
Principle 8. 50	The following should be disclosed in relation to each Committee of the Board of Directors: (i) its overall role and associated responsibilities and functions; (ii) its composition, including each member's qualifications and experience; (iii) any external advisers or invitees who regularly attend Committee meetings; (iv) key areas of focus during the reporting period; (v) the number of meetings held during the reporting period and attendance at those meetings; (vi) whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with the regulations for that Committee for the reporting period.	
Principle 8. 59	<p>In addition to the above disclosure requirements for each Committee, the following should be disclosed in relation to the Audit and Risk Committee:</p> <p>(a) A statement as to whether the Audit and Risk Committee is satisfied that the External Auditor is independent of the Company. The statement should specifically address: (i) the policy and controls that address the provision of non-audit services by the</p>	

Best practice provision	What information?	Check
	<p>external auditor, and the nature and extent of such services rendered during the financial year; (ii) the tenure of the external audit firm and, in the event of the firm having been involved in a merger or acquisition, including the tenure of the predecessor firm; (iii) the rotation of the designated external audit partner; (iv) significant changes in the management of the Company during the external audit firm's tenure which may mitigate the attendant risk of familiarity between the external auditor and management;</p> <p>(b) Significant matters that the Audit and Risk Committee has considered in relation to the annual financial statements, and how these were addressed by the Audit and Risk Committee;</p> <p>(c) The Audit and Risk Committee's views on the effectiveness of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators;</p> <p>(d) The Audit and Risk Committee's views on the effectiveness of the chief audit executive and the arrangements for internal audit (to the extent applicable);</p> <p>(e) The Audit and Risk Committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weakness in design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error;</p> <p>(f) The Audit and Risk Committee's views on the effectiveness of the CFO and the finance function.</p> <p>(g) The arrangements in place for combined assurance and the Audit and Risk Committee's views on its effectiveness.</p>	
Principle 9. 75	The performance of the Board of Directors, its Committees, the Chairperson and individual members of the Board of Directors must be evaluated at least every two years. Where such a performance evaluation is conducted in the reporting period, the following must be	

Best practice provision	What information?	Check
	disclosed in relation to such evaluation (i) a description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not; (ii) an overview of the evaluation results and remedial actions taken; (iii) whether the Board of Directors is satisfied that the evaluation process is improving its performance and effectiveness.	
Principle 10. 83	The following should be disclosed in relation to the CEO: (i) the notice period stipulated in the CEO's employment contract and contractual conditions related to termination; (ii) other professional commitments of the CEO, including membership of governing bodies outside the Company; (iii) whether succession planning is in place for the CEO position.	
Principle 10. 89	A statement by the Board of Directors on whether it is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities should be disclosed.	
Principle 11. 8	The nature and extent of risks and opportunities the Company is willing to take should be disclosed without compromising sensitive information.	
Principle 11. 9	The following should be disclosed in relation to risk: (i) an overview of the arrangements for governing and managing risk; (ii) key areas of focus during the reporting period, including objectives, the key risks that the Company faces, as well as undue, unexpected or unusual risks taken outside of risk tolerance levels; (iii) actions taken to monitor the effectiveness of risk management and how the outcomes were addressed; (iv) planned areas of future focus.	
Principle 12. 17	The following should be disclosed in relation to technology and information: (i) an overview of arrangements for governing and managing technology and information; (ii) key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions and remedial actions taken as a result of major incidents; (iii) action	

Best practice provision	What information?	Check
	taken to monitor effectiveness of technology and information management and how the outcomes were addressed; (iv) planned areas of future focus.	
Principle 13. 23	The following should be disclosed in relation to compliance: (i) an overview of the arrangements for governing and managing compliance; (ii) key areas of focus during the reporting period; (iii) actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed; (iv) planned areas of future focus.	
Principle 12. 24	To the extent applicable, material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, whether imposed on the Company or on members of the Board of Directors or officers should be disclosed.	
Principle 12.25	Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance should be disclosed.	
Principle 16. 5	The following should be disclosed in relation to stakeholder relationships: (i) an overview of the arrangements for governing and managing stakeholder relationships; (ii) key areas of focus during the reporting period; (iii) actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed; (iv) future areas of focus.	
Principle 16. 20 & 21	The Company shall disclose an overview of the group governance framework that is implemented across the group. Subsidiary companies shall disclose what responsibilities they have delegated to the Committees and the extent to which they have adopted the policies and procedures of the Company.	

Schedule 4

INFORMATION TO BE INCLUDED IN THE NON-EXECUTIVE DIRECTORS REPORT

(pursuant to the Code)

- The Non-Executive Directors will give account of their involvement in the establishment of the strategy, and the way in which they monitor 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 and Risk Committee, including its considerations whether it is necessary to establish an internal audit department.
- The following information with respect to each Non-Executive Director:
 - gender;
 - age;
 - nationality;
 - principal position;
 - other positions, in so far as they are relevant to the performance of the duties of the Non-Executive Director;
 - categorisation of each Member as Executive or Non-Executive;
 - date of initial appointment and period of service on the Board of Directors; and
 - the current term of office.
- The reasons why any members of the Board of Directors have been removed, resigned or retired.
- A statement that the independence requirements referred to in the Code are considered to be fulfilled and, if applicable, which Non-Executive Directors are not considered to be independent.
- The reasons for reappointment of a Non-Executive Director in the event of a reappointment after an eight-year period
- A statement on:
 - how the evaluation of the Board of Directors, the individual Non-Executive Directors, the individual Executive Directors and the Committees 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 Board of Directors and Committee meetings of each Non-

Executive Director.

- Whether the Board of Directors is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.
- In relation to the Chairperson, whether the Chairperson is considered to be independent and whether or not a Vice- Chairperson has been appointed and the role and responsibilities assigned to the position.

Schedule 5

NON-EXECUTIVE DIRECTORS PROFILE

Each Non-Executive Director shall be capable of assessing the broad outline of the overall management. Each Non-Executive Director 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 Non-Executive Directors profile. The composition of all Non-Executive Directors together shall be such that it is able to carry out its duties properly. The Non-Executive Directors shall aim for a diverse composition in terms of such factors as nationality, age, gender, education and work background. A Non-Executive Director shall be reappointed only after careful consideration. The profile referred to above shall also be applied in the case of a reappointment.

The Non-Executive Directors shall prepare a profile of the number of Non-Executive Directors on the Board of Directors and the composition, taking account of the nature and the activities of the business, its activities and the desired expertise and background of the Non-Executive Directors. The profile shall deal with the aspects of diversity in the composition of all Non-Executive Directors together 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 Non-Executive Directors shall account for this in the Non-Executive Directors Report 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.¹⁴³

Composition in general

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

The number of Non-Executive Directors on the Board of Directors shall be 9, however for reasons of continuity this maximum may be exceeded temporarily with the approval of the General Meeting. Non-Executive Directors are selected and recommended according to the following selection criteria and factors:

- background/education/training/degrees;
- (international) experience;
- skills;
- the appropriate mix of knowledge, skills and experience including the business, commercial and industry experience, needed to govern the Company;
- independence;
- diversity, including the Board of Directors' policy on the promotion of gender diversity at board level;
- the need for a sufficient number of members to qualify to serve on the committees of the Board of Directors.

The composition and qualities of all Non-Executive Directors together shall be in line with the Company's size, portfolio, nature, culture, geographical spread and its status as a listed Company.

¹⁴³ Bpp 2.1.1 of the Code

When a proposal is made for the (re)appointment of a new supervisory director, the Non-Executive Directors primarily look at the expertise, experience and independence of the candidate. The diversity policy will be considered in the preparation of the (re)appointment.¹⁴⁴

The composition of all Non-Executive Directors together shall be such that the combination of experience, expertise and independence of them will enable the Non-Executive Directors in the best way to perform their duties towards the Company and the stakeholders of the Company (including its shareholders). Without prejudice to Article 2, 6 and 8 of the Regulations, the Non-Executive Directors have designated the following members to be primarily responsible for the following areas:

- Financial administration and accounting; internal risk management and control systems: at least three members, presently Marc Weiner, Peter Driessen and Nebil Senman;
- Management strategy and risks inherent to the Company's business: at least three members, presently Marc Weiner, Maciej Dyjas, Robert Weisz and Dionne Ellering;
- Management selection, nomination and selection: at least three members, presently Marek Belka, Andrea Steer and Dionne Ellering;
- Enforcement of the law (including European rules and directives), Articles of Association, stock exchange rules, corporate governance and compliance: at least two members, presently Andrea Steer and Peter Driessen;
- Shareholder and employee relations: at least one member, presently Dionne Ellering;
- [●].

The following member of the Board of Directors has relevant expertise in accounting or auditing: Peter Driessen.

¹⁴⁴ Bpp 2.2.1 of the Code

Schedule 6

RETIREMENT & RESIGNATION ROTA

	Position	Year of the appointment	Year of resignation rota/Year of re-appointment			
			2018	2019	2020	2021
H.J.T. Dean	Executive Director	2017			X	
J. Baginski	Executive Director	2017		X		
R. Weisz	Non-Executive Director	2017		X		
M.Wainer	Non-Executive Director	2017			X	
A.J. König	Non-Executive Director	2017		X		
P.J.R. Driessen	Non-Executive Director	2018				
D.T. Hirschowitz	Non-Executive Director	2018				
A.P. Steer	Non-Executive Director	2018				
M.M. Belka	Non-Executive Director	2018				
M.W. Dyjas	Non-Executive Director	2017			X	
N. Senman	Non-Executive Director	2017		X		

Schedule 7

REGULATIONS AUDIT AND RISK COMMITTEE

INTRODUCTION

The Board of Directors appointed an Audit and Risk Committee, such in accordance with Article 15 of the Regulations.

Capitalised terms used in these Audit and Risk Committee regulations (**Audit and Risk 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 15.4 of the Regulations, the Audit and Risk Committee undertakes preparatory work for the Board of Directors' 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.¹⁴⁵

1.2 The role of the Audit and Risk Committee is to provide independent oversight of, amongst others:

- (a) the effectiveness of the Company's assurance functions and services (as defined in King IV), with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the finance function; and
- (b) the integrity of the annual financial statements and, to the extent delegated by the Board of Directors, other external reports issued by the Company.

1.3 The responsibilities of the Audit and Risk Committee shall include:

- (a) supervising and monitoring, and discussing with and advising the Board of Directors 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.¹⁴⁶ The Audit and Risk Committee shall satisfy itself that it dedicates sufficient time to risk governance;
- (b) ensuring that the draft Annual Accounts with the corresponding Board Report are drawn up and the dispatch of these documents to the full Board of Directors;
- (c) 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,

¹⁴⁵ Bpp 1.5.1 of the Code

¹⁴⁶ Bpp 1.4.1 of the Code

- forecasts, work of internal auditor and the External Auditor);
- (d) supervising the proper functioning of the External Auditor and the submission of his report to the Board of Directors;
 - (e) supervising the compliance with recommendations and observations of the Company's internal auditor and the External Auditor;¹⁴⁷
 - (f) 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 Board of Directors;¹⁴⁸
 - (g) supervising the policy of the Company on tax planning;¹⁴⁹
 - (h) supervising the financing of the Company;¹⁵⁰
 - (i) supervising the applications of information and communication technology, including risks relating to cybersecurity;¹⁵¹
 - (j) maintaining frequent contact and supervising the relationship with the External Auditor;
 - (k) implementing the procedure for the selection of a statutory auditor and submitting a recommendation to the Non-Executive Directors for the (re)appointment or dismissal of a statutory auditor by the General Meeting, giving due consideration to the Executive Directors' observations of the work of the External Auditor;¹⁵²
 - (l) informing the Board of Directors 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 and Risk Committee was in that process;¹⁵³
 - (m) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;¹⁵⁴
 - (n) 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;¹⁵⁵
 - (o) issuing a recommendation on the appointment and dismissal of the senior internal

¹⁴⁷ Bpp 1.5.1 of the Code

¹⁴⁸ Bpp 1.3.2 of the Code

¹⁴⁹ Bpp 1.5.1 of the Code

¹⁵⁰ Bpp 1.5.1 of the Code

¹⁵¹ Bpp 1.5.1 of the Code

¹⁵² Article 16 Regulation 537/2014 and bpp 1.6.1 of the Code

¹⁵³ Article 2 Decree establishment audit committee

¹⁵⁴ Article 2 Decree establishment audit committee

¹⁵⁵ Bpp 1.7.3 of the Code

- auditor (if present);¹⁵⁶
- (p) if there is no separate department for the internal audit function, issuing a recommendation to the Board of Directors whether adequate alternative measures have been taken;¹⁵⁷
 - (q) submitting a proposal to the Board of Directors for the External Auditor's engagement to audit the Annual Accounts;¹⁵⁸
 - (r) approving the Annual Accounts, the annual budget and major capital expenditures of the Company.
- 1.4 The Audit and Risk Committee shall, together with the Executive Directors and the External Auditor, be involved in the drawing up of the audit plan by the internal audit function (if present).¹⁵⁹
- 1.5 The Audit and Risk 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.¹⁶⁰ The Audit and Risk 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.¹⁶¹
- 1.6 The Audit and Risk Committee shall report to the Board of Directors on its deliberations and findings.¹⁶² 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 and Risk Committee.¹⁶³
- 1.7 The Audit and Risk Committee shall report annually to the Board of Directors on the

¹⁵⁶ Bpp 1.3.1 of the Code

¹⁵⁷ Bpp 1.3.6 of the Code

¹⁵⁸ Bpp 1.6.3 of the Code

¹⁵⁹ Bpp 1.3.3 of the Code

¹⁶⁰ Principle 1.7 of the Code

¹⁶¹ Bpp 1.7.2 of the Code

¹⁶² Bpp 2.3.5 of the Code

¹⁶³ Bpp 1.5.3 of the Code

functioning of, and the developments in, the relationship with the External Auditor¹⁶⁴, 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.

- 1.8 Unless it concerns the renewal of the audit engagement of the External Auditor, the recommendation as referred to in Article 1.3 under (j) shall be well-motivated and shall contain at least two choices for the audit engagement. The Audit and Risk Committee shall express a duly justified preference for one of the candidates. In its recommendation, the Audit and Risk 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.¹⁶⁵
- 1.9 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.¹⁶⁶
- 1.10 Unless it concerns the renewal of the audit engagement of the External Auditor, the recommendation as referred to in Article 1.3 under (j) shall be prepared following a selection procedure organised by the Company – under the responsibility of the Audit and Risk 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 1.5 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) the Company shall evaluate the proposals made by the statutory auditors or the audit

¹⁶⁴ Bpp 1.6.1 of the Code

¹⁶⁵ Article 16 Regulation 537/2014

¹⁶⁶ Article 17 Regulation 537/2014

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 and Risk Committee.

- 1.11 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.
- 1.12 The External Auditor shall inform the chairman of the Audit and Risk 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 member of the Board of Directors, the External Auditor shall report this directly to the Chairperson.¹⁶⁷
- 1.13 Every Non-Executive Director shall have access to all books and records of the Audit and Risk Committee.
- 1.14 At least once a year the Audit and Risk Committee shall consider and satisfy itself of the appropriateness of the expertise and experience of the CFO. The Company shall confirm this by reporting to Shareholders in the Board Report that the Audit and Risk Committee has executed this responsibility.

2 Composition and size Audit and Risk Committee

- 2.1 The Audit and Risk Committee shall consist of at least three (3) members. More than half of the members of the Audit and Risk Committee, including the chairperson of the Audit and Risk Committee, shall be independent within the meaning of Article 9.6 of the Regulations.¹⁶⁸
- 2.2 All members of the Audit and Risk Committee must be Non-Executive Directors.
- 2.3 The Board of Directors shall appoint the members of the Audit and Risk Committee. The Board of Directors may substitute the members of the Audit and Risk Committee at any time.
- 2.4 At least one member of the Audit and Risk 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.¹⁶⁹ The members of the Audit and Risk Committee, as a whole, must have the necessary financial literacy, skills and experience to execute their duties effectively.
- 2.5 The Audit and Risk Committee may not be chaired by the Chairperson or by a former Executive Director.¹⁷⁰ The chairperson of the Audit and Risk Committee shall be designated by the Board of Directors.
- 2.6 Generally the term of office of a member of the Audit and Risk Committee will not be set in

¹⁶⁷ Bpp 2.6.3 of the Code

¹⁶⁸ Bpp 2.3.4 of the Code

¹⁶⁹ Article 2 paragraph 3 Decree establishment audit committee

¹⁷⁰ Bpp 2.3.4 of the Code

advance. It will, *inter alia*, depend on the composition of the Board of Directors as a whole and the other Committees from time to time.

- 2.7 The composition of the Audit and Risk Committee shall be mentioned in the Non-Executive Directors Report.¹⁷¹
- 2.8 The Company Secretary shall act as the secretary to the Audit and Risk Committee.
- 2.9 No member of the Audit and Risk Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to Non-Executive Directors for service on the Board of Directors or a Committee thereof.
- 2.10 The chairperson of the Audit and Risk Committee or one of the other Audit and Risk Committee members shall use its best efforts to be available to answer questions about the Audit and Risk Committee's activities at the annual General Meeting.

3 Meetings of the Audit and Risk Committee

- 3.1 The Audit and Risk 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 and Risk 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 and Risk Committee shall meet with the External Auditor as often as it considers necessary, but at least once a year, outside the presence of the Executive Directors, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.^{172 173}
- 3.3 The CFO, the internal auditor (if present) and the External Auditor shall attend the Audit and Risk Committee meetings, unless the Audit and Risk Committee determines otherwise. The Audit and Risk Committee shall decide whether and, if so, when the CEO shall attend its meetings.¹⁷⁴
- 3.4 The convocation notices of an Audit and Risk Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Audit and Risk 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 and Risk 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 and Risk Committee meeting shall contain the agenda for the meeting. The agenda stating the matters for

¹⁷¹ Bpp 2.3.5 of the Code

¹⁷² Bpp III.5.9 of the Code

¹⁷³ Bpp 1.7.4 of the Code

¹⁷⁴ Bpp 1.5.2 of the Code

decision, shall be drawn up by the chairperson of the Audit and Risk 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 and Risk Committee, and shall be signed by the chairperson of the Audit and Risk Committee and the Company Secretary. The minutes shall be kept by the Company Secretary and a copy of the minutes will be sent to the Board of Directors.
- 3.6 If and when required, the chairperson of the Audit and Risk Committee shall provide further information to the Board of Directors during its meetings on the results of the Audit and Risk Committee's discussions.
- 3.7 The number of meetings of the Audit and Risk Committee and the main items discussed shall be mentioned in the Non-Executive Directors Report.¹⁷⁵

4 Amendment

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

5 Regulations *mutatis mutandis* applicable

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

¹⁷⁵ Bpp 2.3.5 of the Code

Schedule 8

NOMINATION AND REMUNERATION COMMITTEE

INTRODUCTION

The Board of Directors appointed a Nomination and Remuneration Committee, such in accordance with Article 15 of the Regulations.

Capitalised terms used in these Nomination and Remuneration Committee regulations (**Nomination and 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 15.4 of the Regulations, the Nomination and Remuneration Committee advises the Board of Directors in relation to its responsibilities and shall prepare resolutions of the Board of Directors in relation thereto.

1.2 The Nomination and Remuneration Committee shall in any event have the following duties and focus on:

- (a) submitting a clear and understandable proposal to the Board of Directors concerning the remuneration policy to be pursued with regard to the Executive Directors;¹⁷⁶
- (b) preparing the Board of Directors' decision making regarding the determination of remuneration of the individual Executive Directors;
- (c) preparing the Remuneration Report (**Remuneration Report**)¹⁷⁷
- (d) drawing up selection criteria and appointment procedures for Board members;
- (e) periodically assessing the size and composition of the Board, and making a proposal for a composition profile of the Non-Executive Directors;
- (f) periodically assessing the functioning of individual Board members, and reporting on this to the Board;
- (g) making proposals for appointments and reappointments; and
- (h) supervising the policy of the Board on the selection criteria and appointment procedures for senior management.¹⁷⁸

1.3 The following aspects shall in any event be taken into consideration when formulating the

¹⁷⁶ Bpp 3.1.1 of the Code

¹⁷⁷ Bpp 3.4.1 of the Code

¹⁷⁸ Bpp 2.2.5 of the Code

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 In addition, the remuneration policy shall be designed to achieve the following objectives:

- (a) to attract, motivate, reward and retain human capital;
- (b) to promote the achievement of strategic objectives within the Company's risk appetite;
- (c) to promote positive outcomes;
- (d) to promote an ethical culture and responsible corporate citizenship.

1.5 The remuneration policy shall include provision for the following specifically:

- (a) arrangements towards ensuring that the remuneration is fair and responsible in the context of overall employee remuneration in the Company;
- (b) the use of performance measures that support positive outcomes across the economic, social and environmental context in which the Company operates; and/or all the Capitals that the Company uses or affects;
- (c) the voting by shareholders on the remuneration policy and implementation report, and for the implementation of related responding measures.

1.6 All elements of remuneration that are offered in the Company and a mix of these shall be set out in the remuneration policy, including

- (a) base salary, including financial and non-financial benefits;
- (b) variable remuneration, including short and long-term incentives and deferrals;

- (c) payments on termination of employment or office;
- (d) sign-on, retention and restraint payments;
- (e) the provisions, if any, for pre-vesting forfeiture (malus) and post-vesting forfeiture (claw-back) of remuneration;
- (f) any commissions and allowances;
- (g) the fees of Non-Executive Directors.

1.7 The proposal for the remuneration of Executive Directors 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 enterprise¹⁷⁹. When drafting the proposal for the remuneration of Executive Directors, the Nomination and Remuneration Committee shall take note of individual Executive Directors' views with regard to the amount and structure of their own remuneration. The Nomination and Remuneration Committee shall ask the Executive Directors to pay attention to the aspects referred to in Article 1.3 of these Nomination and Remuneration Committee Regulations.¹⁸⁰

1.8 The Remuneration Report shall in any event describe, in a transparent manner, in addition to the matters required by law (as well as the matters set out in the **Annex** to these Nomination and Remuneration Committee Regulations):

- (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 an Executive Director 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 Executive Director receives a severance payment, the reason for this payment.¹⁸¹

The Remuneration Report shall be made generally available and shall be posted on the

¹⁷⁹ Principle 3.2 and bpp 3.2.1 of the Code

¹⁸⁰ Bpp 3.2.2 of the Code

¹⁸¹ Bpp 3.4.1 of the Code

Company's website.¹⁸²

- 1.9 The Nomination and Remuneration Committee shall present all material findings and recommendations, and a report of each of its meetings, to the Board of Directors for consideration.¹⁸³
- 1.10 Every Non-Executive Director shall have unrestricted access to all records of the Nomination and Remuneration Committee.
- 1.11 If the Nomination and 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 Executive Directors.¹⁸⁴

2 Composition and size Nomination and Remuneration Committee

- 2.1 The Nomination and Remuneration Committee shall consist of at least three (3) members. More than half of the members of the Nomination and Remuneration Committee, including the chairperson of the Nomination and Remuneration Committee, shall be independent within the meaning of Article 9.6 of the Regulations.¹⁸⁵
- 2.2 All members of the Nomination and Remuneration Committee must be Non-Executive Directors.
- 2.3 The Board of Directors shall appoint the members of the Nomination and Remuneration Committee. The Board of Directors may substitute the members of the Nomination and Remuneration Committee at any time.
- 2.4 The Nomination and Remuneration Committee may not be chaired by the Chairperson or by a former Executive Director.¹⁸⁶ The chairperson of the Nomination and Remuneration Committee shall be designated by the Board of Directors.
- 2.5 Generally the term of office of a member of the Nomination and Remuneration Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Board of Directors as a whole and other Committees from time to time.
- 2.6 The composition of the Nomination and Remuneration Committee shall be mentioned in the Non-Executive Directors Report.¹⁸⁷
- 2.7 The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.
- 2.8 No member of the Nomination and Remuneration Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to Non-

¹⁸² Principle 3.4 of the Code

¹⁸³ Bpp 2.3.5 of the Code

¹⁸⁴ Bpp III.5.13 of the Code

¹⁸⁵ Bpp 2.3.4 of the Code

¹⁸⁶ Bpp 2.3.4 of the Code

¹⁸⁷ Bpp 2.3.5 of the Code

Executive Directors for service on the Board of Directors or a Committee thereof.

- 2.9 The chairperson of the Nomination and Remuneration Committee or one of the other Nomination and Remuneration Committee members shall use its best efforts to be available to answer questions about the Nomination and Remuneration Committee's activities at the annual General Meeting.

3 Meetings of the Nomination and Remuneration Committee

- 3.1 The Nomination and 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 Nomination and 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 Nomination and Remuneration Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Nomination and 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 Nomination and 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 Nomination and 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 Nomination and 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 Nomination and Remuneration Committee shall take minutes of the meeting. The minutes shall be adopted in the same meeting or in the next meeting of the Nomination and Remuneration Committee, and shall be signed by the chairperson and the secretary of the Nomination and Remuneration Committee. The minutes shall be kept by the Company Secretary and a copy of the minutes will be sent to the Board of Directors.
- 3.4 If and when required, the chairperson of the Nomination and Remuneration Committee shall provide further information to the Board of Directors during its meetings on the results of The Nomination and Remuneration Committee's discussions.
- 3.5 The number of meetings of the Nomination and Remuneration Committee and the main items discussed shall be mentioned in the Non-Executive Directors Report.¹⁸⁸

4 Amendment

The Board of Directors may amend these Nomination and Remuneration Committee

¹⁸⁸ Bpp 2.3.5 of the Code

Regulations and/or revoke any powers granted by it to the Nomination and Remuneration Committee.

5 Regulations *mutatis mutandis* applicable

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

ANNEX TO NOMINATION AND REMUNERATION COMMITTEE REGULATIONS

INFORMATION TO BE INCLUDED IN REMUNERATION REPORT

The Board of Directors shall ensure that remuneration is disclosed by means of a remuneration report in three parts:

- (a) a background statement;
- (b) an overview of the main provisions of the remuneration policy;
- (c) an implementation report which contains details of all remuneration awarded to individual members of the Board of Directors and the Executive Committee during the reporting period.

Background statement

The background statement should briefly provide context for remuneration consideration and decisions, with reference to:

- (a) internal and external factors that influenced remuneration;
- (b) the most recent results of voting on the remuneration policy and the implementation report and measures taken in response thereto;
- (c) key areas of focus and key decisions taken by the Nomination and Remuneration Committee during the reporting period, including any substantial changes to the remuneration policy;
- (d) whether remuneration consultants have been used, and whether the Nomination and Remuneration Committee is satisfied that they were independent and objective;
- (e) the views of the Nomination and Remuneration Committee on whether the remuneration policy achieved its stated objectives; and
- (f) future areas of focus.

Overview of remuneration policy

The overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include:

- (a) the remuneration elements and design principles informing the remuneration arrangements for the Executive Committee and, at a high level, for other employees;
- (b) details of any obligations in employment contracts of the members of the Executive Committee which could give rise to payments on termination of employment or office;

- (c) a description of the framework and performance measures used to assess the achievement of strategic objectives and positive outcomes, including the relative weighting of each performance measure and the period of time over which it is measured;
- (d) an illustration of the potential consequences on the total remuneration for the Executive Committee, on a single, total figure basis, of applying the remuneration policy under minimum, on-target and maximum performance outcomes;
- (e) an explanation of how the policy addresses fair and responsible remuneration for the Executive Committee in the context of overall employee remuneration;
- (f) the use and justification of remuneration benchmarks;
- (g) the basis for the setting of fees for Non-Executive directors;
- (h) a reference to an electronic link to the full remuneration policy for public access.

Implementation report

The implementation report, which includes the remuneration disclosure, in terms of the relevant legal requirements, shall reflect the following:

- (a) the remuneration of each member of the Executive Committee, which should include in separate tables:
 - (i) a single, total figure of remuneration, received or receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value;
 - (ii) the details of all awards made under variable remuneration incentive schemes in the current and prior years that have not yet vested, including the number of awards; the values at the date of grant, their award, vesting and expiry dates (where applicable); and their fair value at the end of the reporting period; and
 - (iii) the cash value of all awards made under variable remuneration schemes that were settled during the reporting period.
- (b) an account of the performance measures used and the relative weighting of each, as a result of which awards under variable remuneration incentive schemes have been made, including: the targets set for the performance measures and the corresponding value of the award opportunity; and for each performance measure, how the Company and members of the Executive Committee, individually, performed against set targets;
- (c) separate disclosure of, and reasons for, any payments made on termination of employment or office;
- (d) a statement regarding compliance with, and any deviations from, the remuneration policy.

In the event that either the remuneration policy of the implementation report, or both have been voted against by 25% or more of the voting rights exercised, such measures shall provide for taking steps in good faith and with reasonable effort towards the following at a minimum:

- (a) an engagement process to ascertain the reasons for dissenting votes;
- (b) appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes.

In the event that either the remuneration policy or the implementation report, or both were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the remuneration report succeeding the voting

- (a) with whom the Company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and
- (b) the nature of steps taken to address legitimate and reasonable objections and concerns.

Schedule 9

INVESTMENT COMMITTEE REGULATIONS

INTRODUCTION

The Board appointed an Investment Committee, such in accordance with Article 15 of the Regulations.

Capitalised terms used in these Investment Committee regulations (**Investment 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 15.4 of the Regulations, the Investment Committee primary objective will be to consider suitable acquisitions, which fit within the Company's business strategy and to make final decisions regarding acquisitions and disposals to be made by the Company, acting under a delegated mandate from the Board.
- 1.2 The Investment Committee shall present all material findings and recommendations, and a report of each of its meetings, to the Board for consideration.
- 1.3 Every Non-Executive Director shall have unrestricted access to all records of the Investment Committee.

2 Composition and size Investment Committee

- 2.1 The Investment Committee shall consist of at least three (3) members. More than half of the members of the Investment Committee, including the chairperson of the Investment Committee, shall be independent within the meaning of Article 9.6 of the Regulations.
- 2.2 All members of the Investment Committee must be Non-Executive Directors.
- 2.3 The Board shall appoint the members of the Investment Committee. The Board may substitute the members of the Investment Committee at any time.
- 2.4 The Investment Committee may not be chaired by the Chairperson or by a former Executive Director. The chairperson of the Investment Committee shall be designated by the Board.
- 2.5 Generally the term of office of a member of the Investment Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Board as a whole and the other Committees from time to time.
- 2.6 The composition of the Investment Committee shall be mentioned in the Non-Executive Directors Report.

- 2.7 The Company Secretary shall act as the secretary to the Investment Committee.
- 2.8 No member of the Investment Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to Non-Executive Directors for service on the Board or a Committee thereof.
- 2.9 The chairperson of the Investment Committee or one of the other Investment Committee members shall use its best efforts to be available to answer questions about the Investment Committee's activities at the annual General Meeting.

3 Meetings of the Investment Committee

- 3.1 The Investment Committee shall hold at least two (2) 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 Investment 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 Investment Committee shall decide whether and, if so, when the CFO and the CEO shall attend its meetings.
- 3.3 The convocation notices of an Investment Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Investment 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 Investment 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 Investment 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 Investment 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.
- 3.4 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 Investment Committee, and shall be signed by the chairperson of the Investment Committee and the Company Secretary. The minutes shall be kept by the Company Secretary and a copy of the minutes will be sent to the Board.
- 3.5 If and when required, the chairperson of the Investment Committee shall provide further information to the Board during its meetings on the results of the Investment Committee's discussions.
- 3.6 The number of meetings of the Investment Committee and the main items discussed shall be mentioned in the Non-Executive Directors Report.

4 Amendment

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

5 Regulations *mutatis mutandis* applicable

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

Schedule 10

REGULATIONS SOCIAL AND ETHICS COMMITTEE

The Board of Directors appointed a Social and Ethics Committee, such in accordance with Article 15 of the Regulations.

Capitalised terms used in these Social and Ethics Committee regulations (**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 15.4 of the Regulations, this Social and Ethics Committee advises the Board in relation to its responsibilities and shall prepare resolutions of the Board of Directors in relation thereto.

1.2 The Social and Ethics Committee shall in any event focus on monitoring the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

- (a) social and economic development, including the company's standing in terms of the goals and purposes of:
 - (i) the 10 principles set out in the United Nations Global Compact Principles;
 - (ii) the OECD recommendations regarding corruption;
- (b) good corporate citizenship, including the Company's:
 - (i) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (ii) contribution to development of the communities in which its activities are predominantly conducted; and
 - (iii) record of sponsorship, donations and charitable giving;
- (c) the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- (d) consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
- (e) labour and employment, including:

- (i) the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
- (ii) the Company's employment relationships, and its contribution towards the educational development of its employees.

1.3 The Social and Ethics Committee shall prepare the decision-making of the Board of Directors.

1.4 The Social and Ethics Committee shall present all material findings and recommendations, and a report of each of its meetings, to the Board of Directors for consideration.

1.5 Every Non-Executive Director shall have unrestricted access to all records of the Social and Ethics Committee.

2 Composition and size Social and Ethics Committee

2.1 The Social and Ethics Committee shall consist of at least three (3) members, the majority of whom are Non-Executive Directors.

2.2 The Board of Directors shall appoint the members of the Social and Ethics Committee. The Board of Directors may substitute the members of the Social and Ethics Committee at any time.

2.3 The chairperson of the Social and Ethics Committee shall be designated by the Board of Directors.

2.4 Generally the term of office of a member of the Social and Ethics Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Board of Directors as a whole and other committees of the Board from time to time.

2.5 The composition of the Social and Ethics Committee shall be mentioned in the Non-Executive Report which is part of the Annual Report and on the Company's website.

2.6 The chairperson of the Social and Ethics Committee or one of the other Social and Ethics Committee members shall use its best efforts to be available to answer questions about the Social and Ethics Committee's activities at the annual General Meeting.

3 Meetings of the Social and Ethics Committee

3.1 The Social and Ethics 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 Social and Ethics 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 Social and Ethics Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Social and Ethics 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 Social and Ethics 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 Social and Ethics 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 Social and Ethics 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 Social and Ethics Committee shall take minutes of the meeting. The minutes shall be adopted in the same meeting or in the next meeting of the Nomination and Remuneration Committee, and shall be signed by the chairperson and the secretary of the Social and Ethics Committee. A copy of the minutes will be sent to the Chairperson.
- 3.4 If and when required, the chairperson of the Social and Ethics Committee shall provide further information to the Board of Directors during its meetings on the results of The Social and Ethics Committee's discussions.
- 3.5 The number of meetings of the Social and Ethics Committee and the main items discussed shall be mentioned in the Non-Executive Report.

4 Amendment

The Board of Directors may amend these Committee Regulations and/or revoke any powers granted by it to the Social and Ethics Committee.

5 Regulations *mutatis mutandis* applicable

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

Schedule 11

RESERVED MATTERS

The following resolution shall be adopted with a majority of the votes cast by the Executive Members and the majority of the votes cast by the Non-Executive Members in a meeting of the Board of Directors in which all members of the Board of Directors are present or represented:

- (a) the operational and financial objectives of the Company;
- (b) the strategy that must lead to the objectives of the Company;
- (c) the conditions that will be employed by the strategy, for example in relation to financial ratios;
- (d) corporate social responsibility issues that are relevant to the Company's business;
- (e) a significant change in the identity or nature of the Company or the enterprise¹⁸⁹, including in any event:
 - (i) the transfer of the enterprise or practically the entire enterprise to a third party;
 - (ii) the conclusion or cancellation of any long-lasting cooperation by the Company or a Subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the cancellation thereof is of essential importance to the Company;
 - (iii) the acquisition or disposal of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets according to the consolidated balance sheet with explanatory notes thereto according to the last adopted annual accounts of the Company, by the Company or a Subsidiary; and
 - (iv) any transaction which the Applicable Listing Rules require to be approved or ratified by Shareholders.
- (f) appointment and the dismissal of the senior internal auditor (in case the Company has an internal audit function);¹⁹⁰
- (g) appointment and the dismissal of the Company Secretary;¹⁹¹
- (h) entering into transactions in which there are Conflicts of Interest with members of the Board of Directors that are of material significance to the Company and/or to the relevant members of the Board of Directors;¹⁹²

¹⁸⁹ Section 2:107a DCC and principle IV.1 of the Code

¹⁹⁰ Bpp 1.3.1 of the Code

¹⁹¹ Bpp 2.3.10 of the Code

¹⁹² Bpp 2.7.4 of the Code

- (i) entering into transactions with legal or natural persons who hold at least ten percent of the Shares that are of material significance to the Company and/or such person;¹⁹³
- (j) granting of any personal loans, guarantees or the like to members of the Board of Directors in the normal course of business and on terms applicable to the personnel as a whole;¹⁹⁴
- (k) the subscription for Shares whereby extraordinary obligations are imposed upon the Company;¹⁹⁵
- (l) the acquisition of Shares on a basis other than that on which a participation in the Company is offered to the public;¹⁹⁶
- (m) the conferral of an advantage to an incorporator of the Company or a third person that was involved in the Company's incorporation;¹⁹⁷
- (n) non-cash contributions on Shares;¹⁹⁸
- (o) the acquisition or disposal of Shares or depositary receipts thereof by the Company;¹⁹⁹
- (p) the amendment of these Regulations;²⁰⁰
- (q) determination which part of the Company's profits shall be reserved;²⁰¹
- (r) the distribution of interim dividend or other distributions from the Company's freely distributable reserves, as well as distributions on Shares other than in cash.²⁰²

¹⁹³ Bpp 2.7.5 of the Code

¹⁹⁴ Bpp 2.7.6 of the Code

¹⁹⁵ Article 8.4 of the Articles of Association and Section 2:94 DCC

¹⁹⁶ Article 8.4 of the Articles of Association and Section 2:94 DCC

¹⁹⁷ Article 8.4 of the Articles of Association and Section 2:94 DCC

¹⁹⁸ Articles 8.4 of the Articles of Association and Section 2:94 DCC

¹⁹⁹ Articles 9.2 and 9.4 of the Articles of Association

²⁰⁰ Article 19.1 of the Articles of Association

²⁰¹ Article 29 of the Articles of Association

²⁰² Article 29 of the Articles of Association

Schedule 12

LIST OF RESOLUTIONS THAT REQUIRE APPROVAL OF THE GENERAL MEETING

The Board of Directors shall require the approval of the General Meeting for resolutions of the Board of Directors regarding:

- (a) a significant change in the identity or nature of the Company or the affiliated enterprise, including in any event:
 - (i) the transfer of the enterprise or practically the entire enterprise to a third party;
 - (ii) the conclusion or cancellation of any long-lasting cooperation by the Company or a Subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the cancellation thereof is of essential importance to the Company;
 - (iii) the acquisition or disposal of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets according to the Company's adopted consolidated balance sheet with explanatory notes thereto, by the Company or a Subsidiary;
 - (iv) any transaction which the Applicable Listing Rules require to be approved or ratified by Shareholders;

- (b) the remuneration of Executive Directors in the form of Shares or rights to subscribe for Shares.

Furthermore, the agenda of the General Meeting should list which items are up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items:

- (a) material changes to the Articles of Association;
- (b) proposals relating to the appointment of members of the Board of Directors;
- (c) the policy of the Company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend);
- (d) any proposal to pay out dividend;
- (e) discharge of Executive Directors from liability;
- (f) discharge of Non-Executive Directors from liability;
- (g) each substantial change in the corporate governance structure of the company and in the compliance with this Code;
- (h) the appointment of the External Auditor²⁰³; and

²⁰³ Bpp 4.1.3 of the Code

- (i) the main conclusions of the assessment of the functioning of the External Auditor.

Schedule 13

POLICY ON BILATERAL CONTACTS WITH SHAREHOLDERS

1 INTRODUCTION

Please find below the policy of EPP N.V. (**Company**) in respect of bilateral contacts with shareholders in accordance with best practice provision 4.2.2 of the Dutch corporate governance code (**Code**), as adopted by the Board of Directors on 29 November 2017.

2 CONTACTS WITH SHAREHOLDERS

- 2.1 The Company is committed to maintaining an open and constructive dialogue with its shareholders and potential shareholders. Conversations with shareholders, both in general meetings and on a bilateral basis, form an integral part of this dialogue.
- 2.2 The Company will take into consideration all requests from shareholders to enter into a conversation. The Company will agree to such requests for those situations where the Board of Directors deem this in the Company's interest. The initiative to enter into a conversation with a shareholder can also be taken by the Company.
- 2.3 In order to assess whether a conversation with shareholders could be in the Company's interest, the Company may request shareholders to provide certain (written) information. This information can include the goal of the conversation, the matters to be discussed, the opinion of the shareholders on these matters and information in respect of the shareholder and its interest in the Company.
- 2.4 The Company adheres to all legal obligations relating to inside information and equal treatment of shareholders and only discusses publicly known information in one-on-one meetings.
- 2.5 Market soundings will be conducted in accordance with the rules laid down in the Market Abuse Regulation ((EU) No 596/2014), and the rules and regulations promulgated thereunder.
- 2.6 The Company's policy is that, where possible, at each conversation with shareholders at least two Company representatives shall be present. In most cases the CEO and/or the CFO will speak with shareholders.
- 2.7 A request by a shareholder to meet with one or more members of the Board of Directors, shall be assessed by the Board of Directors.
- 2.8 Bilateral meetings with (potential) shareholders will not be held during 'closed periods', which normally run for a period of one month (thirty (30) calendar days) immediately prior to the first publication of the annual, half year or quarterly results of the Company and for a period of 21 calendar days immediately prior to the announcement of payment of an interim

or other dividend by the Company.

3 GENERAL PROVISIONS

3.1 The Company is dedicated to providing high quality and timely information to all shareholders. Information for shareholders will be made available on our website: www.epp-poland.com.

3.2 The Board of Directors is authorised to adopt and amend this policy. The Board of Directors retains their right to deviate from this policy.