

1 definitions and construction

1.1 definitions

1.1.1 Any reference in these rules to “in writing” means in writing or by other reproducible electronic communication.

1.2 construction

1.2.1 Schedules are part of these rules.

2 composition of the Supervisory Board, division of duties and responsibilities

2.1 composition of the Supervisory Board

2.1.1 The supervisory board (the “**Supervisory Board**”) of Aalberts Industries N.V. (the “**Company**”) prepares a profile of its size and composition, taking into account the nature and activities of the Company’s business and the Supervisory Board’s activities. The current profile is set out in Schedule 1. The composition of the Supervisory Board must be such that the Supervisory Board as a whole meets the standards laid down in the profile.

2.1.2 The Supervisory Board shall discuss and evaluate the profile on a regular basis and ensures that the profile is regularly amended and adjusted.

2.1.3 The Supervisory Board must prepare a rotation schedule to prevent, where feasible, reappointments occurring at the same time. The current rotation schedule is set out in Schedule 2.

2.2 general responsibilities of the Supervisory Board

2.2.1 The Supervisory Board supervises the policies, management and the general affairs of the group, meaning the Company and all entities included in the group (*groep*, within the meaning of article 2:24b BW) headed by the Company (the “**Group**”). The Supervisory Board assists the management board of the Company (the “**Management Board**”) with advice on general policies related to the Company and its business.

2.2.2 The Supervisory Board supervises how the Management Board determines its position on the long-term value creation strategy and how the Management Board implements that strategy. The Supervisory Board regularly discusses the strategy, the implementation of the strategy and the principal risks associated with it.

2.2.3 In fulfilling its responsibilities, the Supervisory Board is guided by the interests of the Company and its business.

2.2.4 The responsibilities of the Supervisory Board include supervising and advising the Management Board with respect to the following responsibilities of the Management Board:

- (a) setting the Company’s management agenda;
- (b) enhancing the Group’s performance;
- (c) developing a general strategy and taking into account risks connected to the Group’s business activities;
- (d) determining and pursuing operational and financial objectives;
- (e) structuring and managing internal business control systems;
- (f) overseeing the Group’s financial reporting processes;
- (g) ensuring the Group’s compliance with applicable laws and regulations;

- (h) ensuring compliance with and maintaining the Group's corporate governance structure;
- (i) ensuring publication by the Company of any information required by applicable laws and regulations;
- (j) preparing the Company's annual report, the annual budget and significant capital expenditures;
- (k) monitoring corporate social responsibility issues; and
- (l) ensuring that internal procedures are established and maintained which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely manner.

2.2.5 In addition, the responsibilities and tasks of the Supervisory Board include:

- (a) drawing up the Company's diversity policy for the composition of the Management Board and the Supervisory Board;
- (b) proposing the remuneration policy for members of the Management Board ("**Managing Directors**") for adoption by the general meeting of shareholders of the Company (the "**General Meeting**") and determining the remuneration and the employment terms for the individual Managing Directors in conformity with the remuneration policy;
- (c) selecting and nominating individuals for appointment by the General Meeting as Supervisory Directors;
- (d) proposing the remuneration for Supervisory Directors for adoption by the General Meeting;
- (e) reviewing the performance of the Supervisory Board, its committees, and individual Supervisory Directors and discussing the conclusions that must be drawn on the basis of this review at least on an annual basis;
- (f) reviewing the performance of the Management Board and individual Managing Directors and discussing the conclusions that must be drawn on the basis of this review at least on an annual basis;
- (g) selecting and nominating for appointment by the General Meeting of the Company's external auditor;
- (h) reviewing and approving any resolution of the Management Board concerning matters that require approval of the Supervisory Board pursuant to the law, the articles of association of the Company ("**Articles of Association**") or clause 7.3.1 of these rules; and
- (i) being responsible for the decision making on dealing with conflicts of interest regarding Managing Directors, Supervisory Directors and majority shareholders in relation to the Company.

2.3 chairman and vice-chairman

2.3.1 The Supervisory Board appoints a member of the Supervisory Board (a "**Supervisory Director**") as chairman of the Supervisory Board (the "**Chairman**") and one of its members as vice-chairman of the Supervisory Board (the "**Vice-Chairman**").

2.3.2 The Chairman cannot be a former member of the Management Board and must be independent in accordance with best practice provision 2.1.8 of the Dutch Corporate Governance Code (the "**Code**").

2.3.3 The responsibilities of the Chairman and the Vice-Chairman are set out in Schedule 3.

3 committees of the Supervisory Board

3.1 general

3.1.1 Without prejudice to best practice provision 2.3.2 of the Code, the Supervisory Board may at its sole discretion install permanent or ad hoc committees. To the extent the Supervisory Board has not installed such committees, the tasks of the audit committee, the remuneration, selection and appointment committee (all as referred to

in best practice provision 2.3.2 of the Code) will be fulfilled by the Supervisory Board as a whole.

- 3.1.2 Subject to Clause 3.1.1, the Supervisory Board may assign certain tasks to one or more permanent or ad hoc committees comprising one or more Supervisory Directors. The rules governing such committees are set out in Schedule 4 (Audit Committee charter) and Schedule 5 (Remuneration, Selection and Appointment Committee charter).
- 3.1.3 The task of Supervisory Board committees is to prepare the decision making of the Supervisory Board. Establishing committees does not diminish the responsibility of the Supervisory Board and the Supervisory Directors for obtaining information and forming an independent opinion. The committees cannot adopt resolutions on behalf of the Supervisory Board.
- 3.1.4 The Supervisory Board appoints Supervisory Board committee members. For each committee, the Supervisory Board appoints a chairman from among committee members, and a secretary. The secretary does not need to be a Supervisory Director.
- 3.1.5 Supervisory Board committees report on a regular basis to the Supervisory Board about their actions, reviews, proposals and findings.
- 3.1.6 If a committee is installed, the duties and internal proceedings of such committee shall be set out in writing by the Supervisory Board and will form part of these rules.

4 Company Secretary

4.1 appointment and dismissal

- 4.1.1 Subject to the Supervisory Board's approval, the Management Board may appoint and dismiss a company secretary (the "**Company Secretary**"). The Supervisory Board may recommend the appointment or dismissal of a Company Secretary to the Management Board.

4.2 duties and responsibilities

- 4.2.1 If appointed, the Company Secretary assists the Supervisory Board and the Management Board. The Company Secretary ensures that the proper procedures as required by law, the Articles of Association or these rules are complied with. The Company Secretary assists the Chairman in organising Supervisory Board meetings.

5 meeting of the Supervisory Board and decision-making

5.1 convening meetings and agenda

- 5.1.1 Meetings are held at the Company's offices or elsewhere in accordance with a meeting schedule to be annually set by the Supervisory Board which shall list at least six (6) meetings per year. Additional meetings are convened at any Supervisory Director's or the Management Board's request.
- 5.1.2 Meetings are convened in a timely manner and in writing by the Chairman or, if the Chairman and Vice-Chairman positions are vacant (*ontstentenis*) or the Chairman and Vice-Chairman are unable to act (*belet*), by any Supervisory Director. The notice sets out the meeting agenda.
- 5.1.3 The Supervisory Director convening a meeting sets the agenda for that meeting. Supervisory Directors may submit agenda items to the Supervisory Director convening the meeting.

5.2 Chairman and attendance

- 5.2.1 The Chairman or, if the Chairman is not present at the meeting, the Vice-Chairman chairs the meeting. If both the Chairman and the Vice-Chairman are not present at a meeting and the Chairman has not appointed another Supervisory Director as chairman of that meeting, the Supervisory Directors present at the meeting will appoint one of them as chairman of that meeting.

- 5.2.2 A Supervisory Director may only be represented at a meeting by another Supervisory Director holding a proxy in writing.
- 5.2.3 The Management Board in principle attends the meetings of the Supervisory Board.
- 5.2.4 Notwithstanding Clause 7.4.1, the Supervisory Board meets once a year without the Management Board, which meeting serves to allow the Supervisory Board to discuss and evaluate the performance of the Supervisory Board and the Management Board as well as their individual members.
- 5.2.5 Meetings may also be held by telephone or other electronic means, provided that all participants can communicate simultaneously. Supervisory Directors attending the meeting by telephone or other electronic means are considered present at the meeting.

5.3 adoption of resolutions

- 5.3.1 Each Supervisory Director has one vote.
- 5.3.2 Where possible, the Supervisory Board adopts its resolutions by unanimous vote, of all votes which may be cast by all members of the Supervisory Board in office who are entitled to vote. If this is not possible, the resolution is adopted by a majority of votes cast, which votes may be cast by all members of the Supervisory Board in office who are entitled to vote. In the latter case, the meeting minutes will reflect which member(s) of the Supervisory Board voted against the proposal.
- 5.3.3 In the event of a tie vote, the Chairman, if entitled to vote, has a decisive vote.
- 5.3.4 If there is insufficient agreement on a proposed resolution during the meeting, the chairman of the meeting may defer the proposal for further discussion or withdraw the proposal.
- 5.3.5 The chairman of the meeting ensures that adopted resolutions are made available to Supervisory Directors not present at the meeting.

5.4 meeting minutes and evidence of adopted resolutions

- 5.4.1 The Supervisory Board will designate a person as the meeting secretary to prepare the meeting minutes. The minutes are adopted by the chairman and secretary of the particular meeting, after having consulted the Supervisory Directors present or represented at that meeting.
- 5.4.2 Resolutions adopted at a specific meeting can be evidenced by a statement signed by the chairman and the secretary of that meeting.

5.5 adopting resolutions without holding a meeting

- 5.5.1 The Supervisory Board may also adopt formal resolutions without holding a meeting, provided that:
 - (a) all Supervisory Directors entitled to vote have been consulted; and
 - (b) none of them has declared to be against this manner of decision-making.
- 5.5.2 Such resolutions without holding a meeting must be laid down in writing and made available to the Supervisory Directors.
- 5.5.3 Clauses 5.3.1 up to and including 5.3.3 apply to adopting resolutions without holding a meeting.

6 conflicts of interest

6.1 preventing conflicts of interest

- 6.1.1 Any conflict of interest between the Company and Supervisory Directors should be prevented. The Supervisory Board is responsible for dealing with any conflicts of interest between Supervisory Directors and the Company.

- 6.1.2 Supervisory Directors must be alert to conflicts of interest and may not:
- (a) compete with the Company;
 - (b) demand or accept substantial gifts from the Company 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) provide unjustified advantages to third parties at the Company's expense;
 - (d) take advantage of business opportunities that the Company is entitled to, for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

6.2 definition

- 6.2.1 For purposes of clauses 6.2 up to and including 6.6, a "conflict of interest" means:
- (a) a direct or indirect personal conflict of interest within the meaning of article 2:140(5) of the Dutch Civil Code (*Burgerlijk Wetboek*); and
 - (b) any other situation which causes reasonable doubt about whether the Supervisory Director concerned is primarily guided in the decision-making process by the interests of the Company and its business.
- 6.2.2 A Supervisory Director has a potential conflict of interest if the Company intends to enter into a transaction with a legal entity:
- (a) in which that Supervisory Director has a material financial interest;
 - (b) whose management or supervisory board includes a member who has a family law relationship with that Supervisory Director; or
 - (c) where that Supervisory Director has a management or supervisory position.

6.3 consequences

- 6.3.1 A Supervisory Director may not participate in the Supervisory Board's or a committee's deliberations and decision-making process on a subject where the Supervisory Director is found to have a conflict of interest pursuant to Clause 6.5.1 below. The Supervisory Director does not qualify as a Supervisory Director entitled to vote in relation to that subject.

6.4 obligation to report

- 6.4.1 A Supervisory Director, other than the Chairman or Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Chairman, or in the Chairman's absence, the Vice-Chairman. The Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Vice-Chairman or, in the Vice-Chairman's absence, to the other Supervisory Directors. The Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Chairman or, in the Chairman's absence, to the other Supervisory Directors. The Supervisory Director must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

6.5 determination of conflicts of interest

- 6.5.1 The Supervisory Board decides whether a Supervisory Director has a conflict of interest, without the Supervisory Director being present.
- 6.5.2 The Chairman shall determine the course of action to be taken in case a Supervisory Director is found to have a conflict of interest.

6.6 at arm's length. Supervisory Board approval

- 6.6.1 Management Board resolutions on a subject where the Supervisory Board has found one or more Supervisory Directors to have a conflict of interest require the approval of the Supervisory Board. The Supervisory Board may only grant its approval if the transaction is to be entered into by the Company on terms that are customary in the market.

7 relationship with the Management Board, General Meeting and employee-participation bodies

7.1 main contact

7.1.1 The Chairman is the main contact on behalf of the Supervisory Board for the Management Board, the General Meeting and an employee-participation body, if any.

7.2 General Meeting - requests for information

7.2.1 The Supervisory Board adequately provides any information the General Meeting requires, unless overriding interests (*zwaarwegende belangen*) of the Company or any laws, rules or regulations applicable to the Company prevent the Supervisory Board from doing so.

7.2.2 If the Supervisory Board decides not to provide the General Meeting with all information requested based on overriding interests of the Company, the Supervisory Board shall explain this.

7.3 Management Board - resolutions requiring Supervisory Board approval

7.3.1 The Supervisory Board may make certain Management Board resolutions subject to Supervisory Board approval. These resolutions must be clearly specified and must be brought to the attention of the Management Board in writing.

7.4 Management Board - annual evaluation

7.4.1 The Supervisory Board regularly, and at least annually, evaluates the performance of the Management Board and the Managing Directors. The evaluation takes place without the Managing Directors being present.

7.5 Managing Directors and majority shareholders - conflicts of interest

7.5.1 The Supervisory Board is responsible for dealing with conflicts of interest between Managing Directors or majority shareholders and the Company.

7.5.2 The rules of the Management Board set out the following rules on conflicts of interest for Managing Directors:

- (a) a Managing Director must, without delay, report any conflict of interest or potential conflict of interest to the Chairman and the other Managing Directors. The Managing Director must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree;
- (b) the Supervisory Board decides whether a Managing Director has a conflict of interest, without the Managing Director being present; and
- (c) Management Board resolutions on a subject where the Supervisory Board has found one or more Managing Directors to have a conflict of interest (i) may only be adopted if the transaction is to be entered into by the Company on terms that are customary in the market, and (ii) require the approval of the Supervisory Board.

7.5.3 All transactions between the Company and legal or natural persons who hold at least ten percent of the shares in the Company that are of material significance to the Company or to those persons require the approval of the Supervisory Board. The Supervisory Board will only grant its approval if the transaction is to be entered into by the Company on terms that are customary in the market.

8 annual evaluation of Supervisory Directors

8.1 evaluation of Supervisory Directors

8.1.1 The Chairman of the Supervisory Board is the main contact on behalf of the Supervisory Board regarding the performance of Supervisory Directors other than the

Chairman. The Vice-Chairman is the main contact on behalf of the Supervisory Board regarding the Chairman's performance.

- 8.1.2 The Supervisory Board regularly, and at least annually, evaluates its own performance, the performance of the individual Supervisory Directors and the performance of its committees, if established. In doing so, attention should be paid to:
- (a) substantive aspects, the mutual interaction and the interaction with the Management Board;
 - (b) events that occurred in practice from which lessons may be learned; and
 - (c) the desired profile, composition, competencies and expertise of the Supervisory Board.

9 positions outside of the Company

9.1 positions outside of the Company

- 9.1.1 Supervisory Directors must inform the Supervisory Board before accepting relevant positions outside the Company.

10 confidentiality

10.1 confidentiality

- 10.1.1 Each Supervisory Director must treat all information and documentation obtained in connection with his or her position as Supervisory Director with the necessary discretion, integrity and confidentiality. This provision remains applicable to a Supervisory Director after his appointment as Supervisory Director ends.

11 miscellaneous

11.1 compliance with these rules

- 11.1.1 On 14 December 2017, all members of the Supervisory Board declared that:
- (a) they will comply with and be bound by the obligations arising from these rules;
 - (b) they will comply with the Code of Conduct and act in accordance with the values of the Company;
 - (c) they will cause newly appointed members of the Supervisory Board to issue a declaration as referred to in subparagraph (a) and (b);
 - (d) all members of the Supervisory Board will issue a new declaration as referred to in subparagraphs (a) and (b) if these rules or the Code of Conduct have been amended.

11.2 decision not to comply with these rules. amendment of these rules

- 11.2.1 The Supervisory Board may occasionally resolve not to comply with these rules.
11.2.2 The Supervisory Board may amend these rules. Any amendments will be laid down in writing.

11.3 governing law and jurisdiction

- 11.3.1 These rules are governed exclusively by Dutch law.
11.3.2 Any disputes arising out of or in connection with these rules, including disputes concerning their applicability, will be resolved by the courts in Utrecht, the Netherlands.
11.3.3 If any provision of these rules is held to be or becomes invalid (in each case, either in its entirety or in part) that provision will, to the extent of its invalidity, be deemed not to form part of these rules, but the validity of the remainder of these rules will not be affected.

schedule 1

profile of the Supervisory Board

1 general

- 1.1 This profile was prepared taking into account the nature of the Company's business and its activities.
- 1.2 This profile sets out:
 - (a) the size of the Supervisory Board;
 - (b) the desired expertise and background represented in the Supervisory Board;
 - (c) the desired diversity among Supervisory Directors; and
 - (d) the desired independence of Supervisory Directors.
- 1.3 The Supervisory Board considers this profile when preparing nominations of persons to be appointed as Supervisory Directors.

2 size and composition

2.1 size

- 2.1.1 The Supervisory Board consists of at least three Supervisory Directors.

2.2 composition

- 2.2.1 The desired composition of the Supervisory Board is such that the combined experience, expertise and diversity of the Supervisory Directors enables the Supervisory Board to best carry out its responsibilities, and that networks relevant to the Company and its affiliated business are sufficiently represented in it.
- 2.2.2 At least one member of the Supervisory Board shall have relevant knowledge and experience at a listed company or another large legal entity in financial and administrative/accounting areas.
- 2.2.3 In particular, the desired composition of the Supervisory Board must include the following areas of expertise and backgrounds among its members:
 - (a) financial administration and accounting, and internal risk management and control systems;
 - (b) management strategy and risks inherent to the Company's business;
 - (c) management selection, recommendation and development; and
 - (d) related technologies.

2.3 diversity

- 2.3.1 The desired composition of the Supervisory Board complies with the Company's diversity policy.

2.4 independence

- 2.4.1 The desired composition of the Supervisory Board enables Supervisory Directors to operate independently, including the ability to operate critically with one another, the Management Board, and any particular interests involved.
- 2.4.2 In particular, the desired composition of the Supervisory Board ensures that:
 - (a) at most one Supervisory Director does not qualify as independent pursuant to best practice provision 2.1.8 sections (i) to (v) inclusive of the Code;
 - (b) less than half of the Supervisory Directors do not qualify as independent pursuant to best practice provision 2.1.8 of the Code; and
 - (c) for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the Company's share capital, there is at most one Supervisory Director who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8 sections (vi) and (vii) of the Code.

schedule 2

rotation schedule of the Supervisory Board

1 general

- 1.1 This rotation schedule was prepared on the basis of Clause 2.1.3 of the rules of the Supervisory Board, and was last updated on 18 April 2018.
- 1.2 The term of office of a Supervisory Director ends at the end of the annual General Meeting in the year indicated below.

2 rotation schedule

Name	Current term	Date of current appointment or reappointment	Final year of current term
J. van der Zouw	First	21 April 2015	2019
M.C.J. van Pernis	Third	18 April 2018	2020
P. Veenema	First	19 April 2016	2020
M.J. Oudeman	First	18 April 2017	2021

schedule 3

responsibilities of the Chairman and the Vice-Chairman

1 responsibilities of the Chairman and the Vice-Chairman

1.1 Chairman

1.1.1 The Chairman is primarily responsible for ensuring that:

- (a) the Supervisory Board has proper contact with the Management Board, the General Meeting and an employee participation body, if any;
- (b) the Supervisory Board elects a Vice-Chairman;
- (c) there is sufficient time for deliberation and decision making by the Supervisory Board;
- (d) the Supervisory Directors receive all information that is necessary for the proper performance of their duties in a timely manner;
- (e) the Supervisory Board and to the extent established, its committees, function properly;
- (f) the performance of individual Managing Directors and Supervisory Directors is assessed at least annually;
- (g) the Supervisory Directors and Managing Directors follow their introduction programme;
- (h) the Supervisory Directors and Managing Directors follow their education or training programme;
- (i) the Management Board performs activities in respect of culture;
- (j) the Supervisory Board recognises signs from the Company's business and ensures that any material misconduct and irregularities, or founded suspicion thereof, are reported to the Supervisory Board without delay;
- (k) the General Meeting proceeds in an orderly and efficient manner;
- (l) effective communication with shareholders is assured; and
- (m) the Supervisory Board is involved closely, and at an early stage, in any material merger or takeover process.

1.1.2 The Chairman acts on behalf of the Supervisory Board as the main contact for the Management Board, Supervisory Directors, shareholders and third parties.

1.1.3 The Chairman must consult regularly with the chairman of the Management Board.

1.2 Vice-Chairman

1.2.1 The Vice-Chairman deputises for the Chairman in the event that the position of Chairman is vacant (*ontstentenis*) or if the Chairman is unable to act (*belet*).

1.2.2 The Vice-Chairman acts as main contact for individual Supervisory Directors and Managing Directors regarding the performance of the Chairman.

schedule 4

Audit Committee charter

1 responsibilities and composition of the Audit Committee

1.1 responsibilities

- 1.1.1 The audit committee prepares the Supervisory Board's decision making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems (the "**Audit Committee**").
- 1.1.2 The Audit Committee focuses on monitoring the Management Board in matters including:
- (a) relations with the internal and external auditors, and compliance with and follow-up on their recommendations and comments;
 - (b) the Company's funding;
 - (c) the application of information and communication technology by the Company, including risks relating to cybersecurity; and
 - (d) the Company's tax policy.
- 1.1.3 In addition, the Audit Committee carries out the following duties:
- (a) forming a position on how the internal audit function fulfils its responsibility;
 - (b) monitoring the financial reporting process and drawing up proposals to safeguard the integrity of this process;
 - (c) monitoring the effectiveness of the internal control systems, the internal audit function and risk management systems with regard to the Company's financial reporting;
 - (d) monitoring the statutory audit of the annual accounts and the consolidated annual accounts;
 - (e) assessing and monitoring the independence of the external auditor or the audit firm, as applicable, specifically taking into account the extension of ancillary services to the Company; and
 - (f) determining the selection process for the external auditor or the audit firm, as applicable to the Company and the nomination to make and extend the assignment to carry out the statutory audit.

1.2 composition

- 1.2.1 The Supervisory Board determines the size of the Audit Committee, provided that the Audit Committee consists of at least two members.
- 1.2.2 More than half of the members of the Audit Committee must be independent pursuant to Best Practice provision 2.1.8 of the Code.
- 1.2.3 The Chairman or a former Managing Director cannot serve as chairman of the Audit Committee. The chairman of the Audit Committee must be independent pursuant to Best Practice provision 2.1.8 of the Code.
- 1.2.4 At least one member of the Audit Committee must have specific expertise in financial reporting and in reviewing financial reports.

2 meetings and decision-making

2.1 applicability of rules for meetings and decision making of the Supervisory Board

- 2.1.1 Clause 5 of the rules of the Supervisory Board applies equally to the meetings and decision making of the Audit Committee, provided that:
- (a) the Audit Committee will prepare an annual meeting schedule listing at least four (4) meetings a year to discuss, amongst others, the quarterly, interim and annual results;

- (b) meetings of the Audit Committee are attended by the internal auditor, the external auditor and the Chief Financial Officer, unless the Audit Committee determines otherwise; and
- (c) the Audit Committee may decide that, and if so when, the Chief Executive Officer attends its meetings.

3 report to the Supervisory Board

- 3.1 The Audit Committee reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the Audit Committee were carried out in the financial year, and also reports on the composition of the Audit Committee, the number of meetings of the Audit Committee and the main items discussed at those meetings.
- 3.2 In particular, the Audit Committee reports on the results of the annual statutory audit to the Supervisory Board. This report includes information on how the audit has contributed to the integrity of the financial reporting, and also reports on the role of the Audit Committee in the audit.

schedule 5

Remuneration, Selection and Appointment Committee charter

1 responsibilities and composition of the Remuneration, Selection and Appointment Committee

1.1 responsibilities

- 1.1.1 The Remuneration, Selection and Appointment Committee (“**RemCo**”) prepares the Supervisory Board’s decision making regarding the determination of the remuneration of individual Managing Directors, including severance payments.
- 1.1.2 The RemCo submits a proposal to the Supervisory Board concerning the remuneration of Managing Directors. The proposal is drawn up according to the remuneration policy that has been established and in any event covers:
- (a) the remuneration structure;
 - (b) the amount of the fixed and variable remuneration components;
 - (c) the performance criteria used;
 - (d) the scenario analyses that are carried out; and
 - (e) the pay ratios within the Company and its business.
- 1.1.3 The Remuneration Committee will take note of individual Managing Directors’ own views with regard to the amount and structure of their own remuneration. The Managing Directors will be requested to pay attention to the aspects referred to under (a) through (e) of clause 1.1.2 of this Remuneration Committee Charter.
- 1.1.4 The RemCo prepares the Supervisory Board’s decision making regarding:
- (a) the drawing up of selection criteria and appointment procedures for Managing Directors and Supervisory Directors;
 - (b) the periodical assessment of the size and composition of the Management Board and the Supervisory Board, and the making of proposal for a composition profile of the Supervisory Board;
 - (c) the periodical assessment of the performance of individual Managing Directors and Supervisory Directors and reporting this to the Supervisory Board;
 - (d) the drawing up of a plan for the succession of Managing Directors and Supervisory Directors;
 - (e) the proposal for appointment and reappointment of Managing Directors and Supervisory Directors;
 - (f) the supervision of the policy of the Management Board regarding the selection criteria and appointment procedures for senior management; and
 - (g) the drawing up of the Company’s diversity policy for the composition of the Management Board and the Supervisory Board.

1.2 composition

- 1.2.1 The Supervisory Board determines the size of the RemCo, provided that the RemCo consists of at least two members.
- 1.2.2 Members of the RemCo are appointed by the Supervisory Board.
- 1.2.3 At least half of the members of the RemCo must be independent pursuant to Best Practice provision 2.1.8 of the Code.

1.3 chairman

- 1.3.1 The Supervisory Board appoints one of its members as chairman of the RemCo.
- 1.3.2 The chairman will serve as a member of the RemCo.

2 meetings and decision making

- 2.1 Clause 5 of the rules of the Supervisory Board applies equally to the meetings and decision making of the RemCo provided that the RemCo will prepare an annual meeting schedule listing a number of meetings necessary to fulfil their task.

3 report to the Supervisory Board

- 3.1 The RemCo reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the RemCo were carried out in the financial year, and also reports on the composition of the RemCo, the number of meetings of the RemCo and the main items discussed at those meetings.

Effective as of 18 April 2018