



REGULATIONS SUPERVISORY BOARD

Adopted by the Supervisory Board on 7 December 2017

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INTRODUCTION

- 0.1 These Regulations are established pursuant to article 28.10 of the Articles of Association and best practice provision 2.3.1 of the Dutch Corporate Governance Code.
- 0.2 These Regulations are complementary to the provisions regarding the Supervisory Board and the Supervisory Board members as contained in applicable legislation and regulations, the Articles of Association and the rules pertaining to the relationship between Managing Board and Supervisory Board as contained in the Regulations of the Managing Board (which have been approved by the Supervisory Board).
- 0.3 These Regulations are posted on the Company's website.¹
- 0.4 The meaning of certain capitalized or uncapitalized terms used in these Regulations is set forth in the List of Definitions attached as Annex 1.
- 0.5 Unless the context clearly indicates otherwise, references to words importing one gender shall include both genders.

CHAPTER I COMPOSITION OF THE SUPERVISORY BOARD; POSITIONS; COMMITTEES

1. Supervisory Board Profile, Size, Expertise and Independence; Diversity Policy
 - 1.1 The Supervisory Board shall prepare a profile of its size and composition, taking account of the nature of the Group (the Supervisory Board Profile). The Supervisory Board Profile shall address:²
 - (a) the desired expertise and background of the Supervisory Board members;
 - (b) the desired diverse composition of the Supervisory Board as expressed in the diversity policy;
 - (c) the size of the Supervisory Board; and
 - (d) the independence of the Supervisory Board members.

The Supervisory Board Profile is attached as Annex 2 and shall be published on the Company website.
 - 1.2 The Supervisory Board shall draw up a diversity policy with regard to the composition of the Supervisory Board, Managing Board and Executive Committee that addresses the concrete targets relating to diversity and the diversity aspects relevant to the Company, such as nationality, age, gender and background of education and professional experience.³
 - 1.3 The number of Supervisory Board members is determined by the Supervisory Board after consultation with the CEO, and has a minimum of 5 members.

¹ Dutch Corporate Governance Code, best practice provision 2.3.1.

² Dutch Corporate Governance Code, best practice provision 2.1.1.

³ Dutch Corporate Governance Code, best practice provision 2.1.5.

- 1.4 The Supervisory Board shall endeavour to ensure, within the limits of its powers, that it is at all times composed so that:
- (a) each Supervisory Board member has the specific expertise required to perform his duties within the framework of his role within the Supervisory Board Profile;⁴
 - (b) each Supervisory Board member is capable of assessing the broad outline of the overall policy of the Company;⁵
 - (c) the Supervisory Board as a whole matches the Supervisory Board Profile and that the composition of the Supervisory Board is such that the requisite expertise, background, competencies and independence are present, enabling the Supervisory Board to carry out its duties properly;⁶
 - (d) at least one Supervisory Board member shall have competence in accounting and auditing;⁷
 - (e) its members are able to act critically and independently of one another, the Managing Board and any particular interests involved; in order to safeguard this the Supervisory Board is composed so that: ⁸
 - (i) any one of the criteria referred to in clause 1.5(a) to (e) inclusive are applicable to at most one Supervisory Board member;
 - (ii) for each shareholder, or group of affiliated shareholders who directly or indirectly hold more than ten percent of the shares in the Company, there is at most one Supervisory Board member who can be considered to be affiliated with or representing them as stipulated in clause 1.5(f) and (g); and
 - (iii) the total number of Supervisory Board members to whom the criteria referred to in clause 1.5 are applicable shall account for less than half of the total number of Supervisory Board members; and
 - (f) all Supervisory Board members observe the restrictions regarding the nature and number of their other positions as set forth in clause 21.
- 1.5 A Supervisory Board member is not independent if the following criteria of dependence apply to him. These criteria are that the Supervisory Board member concerned, his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree: ⁹
- (a) has been an employee or member of the Managing Board of the Company or an affiliated company in the five years prior to their appointment as Supervisory Board member;
 - (b) receives personal financial compensation from the Company, or an affiliated company, other than the compensation received for the work performed as a

⁴ Dutch Corporate Governance Code, best practice provision 2.1.4.

⁵ Dutch Corporate Governance Code, best practice provision 2.1.4.

⁶ Dutch Corporate Governance Code, Principle 2.1.

⁷ Audit Committee Decree 2016, article 2(3).

⁸ Dutch Corporate Governance Code, best practice provision 2.1.7.

⁹ Dutch Corporate Governance Code, best practice provision 2.1.8.

Supervisory Board member and in so far as this is not keeping with the ordinary business operations;

- (c) has had an important business relationship with the Company or an affiliated company in the year prior to the appointment This includes in any event the case where the Supervisory Board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the Company (consultant, external auditor, civil notary or lawyer) and the case where the Supervisory Board member is a management board member or an employee of a bank with which the Company has a lasting and significant relationship;
- (d) is a member of the management board of a company in which a member of the Managing Board is a supervisory board member;
- (e) has temporarily managed the Company during the previous twelve months due to vacant seats on the Managing Board, or because Managing Board members were unable to perform their duties;
- (f) has a shareholding in the Company of at least ten percent, taking into account the shareholding of natural persons or legal entities cooperating with him on the basis of an express or tacit, verbal or written agreement; or
- (g) is a member of the management board or supervisory board, or a representative in some other way, of a legal entity which holds at least ten per cent of the shares in the Company's capital, unless such entity is a member of the same Group.

2. (Re)Appointment; Term of Office; Resignation

- 2.1 The members of the Supervisory Board are appointed by the General Meeting of Shareholders.
- 2.2 Any nomination or recommendation by the Supervisory Board for appointment or reappointment of a Supervisory Board member must be in accordance with clause 1, including the Supervisory Board Profile.¹⁰ On reappointment, account must be taken of the candidate's past performance as a Supervisory Board member.¹¹
- 2.3 A nomination or recommendation to the General Meeting of Shareholders to appoint a Supervisory Board member shall state the candidate's age, his profession, the amount and number of shares he holds in the Company's capital and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a Supervisory Board member. Furthermore, the legal entities of whose supervisory boards he is also a member of must be listed; if those include legal entities which belong to the same group, reference to that group is sufficient. The recommendation or nomination for appointment or reappointment shall state the reasons on which it is based.¹²
- 2.4 A Supervisory Board member shall be appointed for a period of four years and may then be reappointed once for a period of four years. A Supervisory Board member may then subsequently be reappointed again for a period of two years, which appointment may be

¹⁰ Dutch Corporate Governance Code, best practice provision 2.2.

¹¹ Section 2:142 Dutch Civil Code.

¹² Section 2:142 Dutch Civil Code.

- extended by at most two years. For a reappointment after an eight-year period, reasons must be provided in the report of the Supervisory Board.¹³
- 2.5 A Supervisory Board member nominated for appointment shall attend the General Meeting of Shareholders at which votes will be cast on his appointment.¹⁴
- 2.6 The Supervisory Board shall ensure that the Company has a sound plan in place for the succession of Supervisory Board members that is aimed at retaining the balance in the requisite expertise, experience, diversity and independence. Due regard must be given to the Supervisory Board Profile in drawing up that plan.¹⁵ Supervisory Board members shall retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board in order to avoid, as far as possible, a situation in which many Supervisory Board members retire at the same time. The rotation plan shall be published on the Company website.¹⁶
- 2.7 A Supervisory Board member shall retire early in the event of inadequate performance, structural incompatibility of interests, and in any other instances where deemed necessary by the Supervisory Board. In the event of the early retirement of a member of the Supervisory Board, the Company shall issue a press release mentioning the reasons for the departure.¹⁷
- 2.8 A Supervisory Board member who is temporarily charged with the management of the Company when seats on the Managing Board are vacant or Managing Board members are unable to fulfil their duties, shall resign from the Supervisory Board.¹⁸
3. Chairman and vice-chairman
- 3.1 The Supervisory Board shall elect a Chairman and a vice-chairman from among its members. The Chairman shall not be a former member of the Managing Board and shall be independent within the meaning of clause 1.5.¹⁹
- 3.2 The vice-chairman replaces, and assumes the powers and duties of, the Chairman in the latter's absence.²⁰ The vice-chairman acts as a contact for the individual members of the Supervisory Board and the Managing Board on the performance of the Chairman.²¹
- 3.3 The Chairman shall act as the spokesman of the Supervisory Board and is the main contact for the CEO, the Managing Board as a whole and for the shareholders on the performance of members of the Managing Board and Supervisory Board.²² The CEO and the Chairman shall meet on a regular basis.²³ As a general rule, the Chairman presides over General Meetings of Shareholders.
- 3.4 Without prejudice to the generality of clause 3.3, the Chairman in any case sees to it that:²⁴

¹³ Dutch Corporate Governance Code, best practice provision 2.2.2.

¹⁴ Dutch Corporate Governance Code, best practice provision 4.1.8.

¹⁵ Dutch Corporate Governance Code, best practice provision 2.2.4 also in connection with best practice provision 2.1.1.

¹⁶ Dutch Corporate Governance Code, best practice provision 2.2.4.

¹⁷ Dutch Corporate Governance Code, best practice provision 2.2.3.

¹⁸ Dutch Corporate Governance Code, best practice provision 2.3.9.

¹⁹ Dutch Corporate Governance Code, best practice provision 2.1.9.

²⁰ Dutch Corporate Governance Code, best practice provision 2.3.7.

²¹ Dutch Corporate Governance Code, best practice provision 2.4.3.

²² Dutch Corporate Governance Code, best practice provision 2.4.3.

²³ Dutch Corporate Governance Code, best practice provision 2.3.6.

²⁴ Dutch Corporate Governance Code, best practice provision 2.3.6.

- (a) Supervisory Board members, when appointed, follow an introduction programme and, as needed, additional education or training programmes;²⁵
 - (b) the Supervisory Board members receive all information necessary for the proper performance of their duties in a timely manner;
 - (c) there is sufficient time for deliberation and decision-making by the Supervisory Board;
 - (d) the Supervisory Board and the Committees function properly;
 - (e) the functioning of Managing Board members and Supervisory Board members is assessed at least annually;
 - (f) the Supervisory Board elects a vice-chairman;
 - (g) contacts between the Supervisory Board, Managing Board and the General Meeting of Shareholders are conducted properly;
 - (h) the Managing Board performs activities in respect of culture;²⁶
 - (i) the Supervisory Board recognises signs from the Group Company and ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
 - (j) the General Meeting of Shareholders proceeds in an orderly and efficient manner;
 - (k) effective communication with shareholders is assured; and
 - (l) the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes.
4. Company Secretary²⁷
- 4.1 The Supervisory Board is assisted by the Company Secretary, who is, either at the initiative of the Supervisory Board or otherwise, appointed and removed by the Managing Board, after approval by the Supervisory Board.
 - 4.2 All Supervisory Board members have access to the advice and services of the Company Secretary.
 - 4.3 The Company Secretary sees to it that correct Supervisory Board procedures are followed and that the obligations of the Supervisory Board under the law, the Articles of Association and the regulations are complied with. The Company Secretary facilitates the provision of information and shall support the Chairman in the organisation of the affairs of the Supervisory Board (information, agenda, preparation and reporting of meetings, evaluation, training programme, etc.).

²⁵ Dutch Corporate Governance Code, best practice provision 2.4.5.

²⁶ See clause 6.6 Managing Board Regulations.

²⁷ See also Clause 5 of the Managing Board Regulations and Dutch Corporate Governance Code, best practice provision 2.3.10.

- 4.4 The Company Secretary may delegate his duties under these Regulations, or parts thereof, to one (or more) deputy (or deputies) appointed by him in consultation with the CEO and the Chairman.
- 4.5 The Company Secretary also performs activities for the Managing Board, as provided for in the Regulations of the Managing Board.
- 4.6 If the Company Secretary notes that the interests of the Managing Board and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, he shall report this to the Chairman.²⁸
5. Committees
- 5.1 The Supervisory Board may appoint standing and/or ad hoc Committees from among its members, whose duty it is to prepare decision-making by the Supervisory Board and that may be charged with other tasks specified by the Supervisory Board. The composition of any Committee is determined by the Supervisory Board. The Supervisory Board shall, in any event, establish an Audit Committee, a Remuneration Committee, a Nomination Committee and a Sustainability Committee.²⁹
- 5.2 The Supervisory Board remains collectively responsible for decisions prepared by Committees from among its members.³⁰ The Supervisory Board may attribute powers to a Committee. A Committee may only exercise such powers as are explicitly attributed to it and may never exercise powers beyond those exercisable by the Supervisory Board as a whole. The Supervisory Board may, partial or in full, revoke any power attributed to a Committee.
- 5.3 Each Committee must inform the Supervisory Board in a clear and timely way of the manner in which it has used delegated authority and of any major development in the area of its responsibilities. All Supervisory Board members have unrestricted access to all Committee meetings and records. The Supervisory Board shall, within the term specified in the charter of the Committee concerned, receive a report from each Committee of its deliberations and findings.³¹
- 5.4 The Supervisory Board shall establish charters for each Committee and may amend these at any time. The charters shall indicate the role and responsibilities of the Committee concerned, its composition and the manner in which it performs its duties, and shall be published on the Company website.³²
- 5.5 The Supervisory Board as a rule has no "delegated Supervisory Board member" (*gedelegeerd commissaris*). Under special circumstances, however, the Supervisory Board may resolve to appoint a "delegated Supervisory Board member", in which case best practice provision 2.3.8 of the Dutch Corporate Governance Code shall apply in full.

²⁸ Dutch Corporate Governance Code, best practice provision 2.3.10.

²⁹ Dutch Corporate Governance Code, Principle 2.3 and best practice provision 2.3.2.

³⁰ Dutch Corporate Governance Code, best practice provision 2.3.2.

³¹ Dutch Corporate Governance Code, best practice provision 2.3.5.

³² Dutch Corporate Governance Code, best practice provision 2.3.3.

CHAPTER II
DUTIES AND POWERS

6. General Duties and Powers; Relation with the Managing Board
- 6.1 The Supervisory Board is charged with the supervision of the policies carried out by the Managing Board, the general course of affairs of the Company and the Group Companies.³³ The Supervisory Board assists the Managing Board with advice.³⁴ The responsibility for the proper performance of its duties is vested collectively in the Supervisory Board.
- 6.2 The Supervisory Board supervises the manner in which the Managing Board implements the long-term value creation strategy. The Supervisory Board regularly discusses the strategy, the implementation of the strategy and the principal risks associated with it.³⁵ Furthermore the Supervisory Board supervises the activities of the Managing Board in creating a culture aimed at long-term value creation.³⁶
- 6.3 In performing its duties, the Supervisory Board shall act in accordance with the interests of the Group, taking into consideration the interests of the stakeholders.³⁷
- 6.4 The Supervisory Board members shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, without jeopardising the responsibilities of individual Supervisory Board members.
- 6.5 The Supervisory Board promotes a culture of openness and accountability within the Supervisory Board and between the different bodies of the company.³⁸
- 6.6 If the Managing Board works with an Executive Committee, the Supervisory Board sees to it that the Managing Board takes account of the checks and balances that are part of the two-tier system, meaning, among other things, ensuring that the Managing Board's expertise and responsibilities are safeguarded and that the Supervisory Board is informed adequately. In this respect, the Supervisory Board pays specific attention to the dynamics and the relationship between the Managing Board and the Executive Committee.³⁹
- 6.7 Notwithstanding the provisions of clause 7.3 of these Regulations and clause 10.5 of the Regulations of the Managing Board, the Supervisory Board and its individual members each have responsibility for obtaining all information from the Managing Board, the internal audit function and the External Auditor needed to enable them to carry out their duties properly as a supervisory body. If deemed necessary by the Supervisory Board and after consultation with the CEO, it may obtain information from officers and external advisers of the Company. The Company shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisers attend its meetings.⁴⁰
- 6.8 Each member of the Supervisory Board has access to the books, records and offices of the Company in so far as required or as is useful for the proper performance of his duties. The

³³ Dutch Corporate Governance Code, best practice provision 1.5.

³⁴ Section 2:140 (2) Dutch Civil Code.

³⁵ Dutch Corporate Governance Code, best practice provision 1.1.3.

³⁶ Dutch Corporate Governance Code, best practice provision 2.5.

³⁷ Section 2:140 (2) Dutch Civil Code and Dutch Corporate Governance Code, Principle 1.1.

³⁸ Dutch Corporate Governance Code, best practice provision 2.4.1.

³⁹ Dutch Corporate Governance Code, best practice provision 2.1.3.

⁴⁰ Dutch Corporate Governance Code, best practice provision 2.4.8 and 2.4.9.

Supervisory Board member shall exercise this right in consultation with the Chairman and the Company Secretary.

7. Duties regarding the Activities of the Managing Board
- 7.1 The supervision of the policies carried out by Managing Board by the Supervisory Board shall include *inter alia*:
- (a) the strategy aimed at long-term value creation of the Group and weighing of the interests of stakeholders involved;⁴¹
 - (b) activities of the Managing Board regarding the creation of a culture aimed at long-term value creation of the Group;⁴²
 - (c) the supervision of the internal audit function;⁴³
 - (d) the effectiveness of the internal risk management and control systems;⁴⁴
 - (e) the integrity and quality of the financial reporting;⁴⁵
 - (f) the establishment and maintenance of internal procedures which ensure that all relevant information is known to the Managing Board and the Supervisory Board in a timely fashion;⁴⁶
 - (g) the relation with the shareholders of the Company⁴⁷.
- 7.2 The resolutions of the Managing Board listed in Annex 3 are subject to the approval of the Supervisory Board.
- 7.3 The Managing Board shall provide the Supervisory Board with the following information in a timely manner:
- (a) information on, among other things, mergers and acquisitions, material developments, major organisational issues, regulatory developments and other relevant issues;
 - (b) for each meeting and quarterly, a report with detailed information on the financial situation and development of the Group; and
 - (c) such information as the Supervisory Board deems necessary from time to time,
- which will be drafted in the format agreed upon from time to time between the Managing Board and the Supervisory Board.

⁴¹ Dutch Corporate Governance Code, Principle 1.1 and best practice provisions 1.1.2 and 1.1.3.

⁴² Dutch Corporate Governance Code, Principle 2.5.

⁴³ Dutch Corporate Governance Code, Principle 1.3.

⁴⁴ Dutch Corporate Governance Code, Principle 1.5.

⁴⁵ Dutch Corporate Governance Code, Principle 1.5.

⁴⁶ Dutch Corporate Governance Code, best practice provision 2.4.7.

⁴⁷ Dutch Corporate Governance Code, best practice provision 4.1.1.

8. Duties regarding the members and the performance of the Supervisory Board and Managing Board
- 8.1 The duties of the Supervisory Board regarding the members of the Managing Board specifically include:
- (a) the selection and nomination of members of the Managing Board,⁴⁸ the submission of proposals for the remuneration policy for members of the Managing Board to the General Meeting of Shareholders, the determination of the remuneration (in accordance with the adopted remuneration policy) and the contractual employment conditions of Managing Board members;⁴⁹
 - (b) determination of the number of Managing Board members, the designation of the CEO, the approval Managing Board of the Regulations of the Managing Board;
 - (c) the evaluation of the functioning of the Managing Board and its individual members; the approval of additional positions of the Managing Board to the extent required under the Regulations of the Managing Board.⁵⁰
- 8.2 The duties of the Supervisory Board in relation to the members of the Supervisory Board specifically include:
- (a) the selection and nomination of members of the Supervisory Board and proposals to the General Meeting of Shareholders for the remuneration of members of the Supervisory Board;
 - (b) the determination of the number of Supervisory Board members, the appointment of a Chairman and vice-chairman, the establishment of Committees and defining their role,
 - (c) the evaluation of the functioning of the Supervisory Board, its Committees and the individual members of the Supervisory Board (including an evaluation of the Supervisory Board Profile and the introduction, education and training programme); the review of other positions of Supervisory Board members; and
 - (d) to address conflict of interest issues between the Company and members of the Supervisory Board.⁵¹
- 8.3 At least once a year the Supervisory Board shall, without the Managing Board being present, evaluate its own functioning, the functioning of its Committees and that of the individual Supervisory Board members, and discuss the conclusions that must be drawn on the basis thereof. Attention shall be paid to:
- (a) substantive aspects, the mutual interaction and the interaction with the Managing Board;
 - (b) events that occurred in practice from which lessons may be learned; and

⁴⁸ See also clause 1.1 of the Managing Board Regulations and the charter of the Nomination Committee.

⁴⁹ See also clause 12 of these Regulations and the charter of the Remuneration Committee.

⁵⁰ See also clause 20 of the Managing Board Regulations.

⁵¹ See also clause 18 of these Regulations.

- (c) the desired profile, the composition, competencies and expertise of the Supervisory Board.⁵²
- 8.4 At least once a year the Supervisory Board shall, without the Managing Board being present, evaluate the functioning of the Managing Board as a whole and the functioning of its individual members, and discuss the conclusions that must be drawn on the basis thereof, such also in light of the succession of Managing Board members.⁵³
9. Certain other Duties of the Supervisory Board
- 9.1 The other duties of the Supervisory Board include:
- (a) duties regarding the External Auditor as described in clause 11 and the charter of the Audit Committee;
- (b) 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 misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions; in cases where the Managing Board itself is involved, the Supervisory Board may initiate its own investigation into any signs of misconduct and irregularities, and coordinate this investigation.⁵⁴
- (c) the taking of measures for the temporary management of the Company if a member of the Managing Board is absent or prevented from performing his duties;
- (d) other duties the Supervisory Board is charged with under legislation, the Articles of Association, these Regulations, the charter of a Committee or the Regulations of the Managing Board.
- 9.2 The Supervisory Board shall draw up a report to be included in the annual report of the Company in which it renders account of the supervision conducted in the financial year concerned and containing the specific statements and information listed in Annex 4.⁵⁵
- 9.3 The Supervisory Board and the Managing Board are jointly responsible for the corporate governance structure of the Company, compliance with the Dutch Corporate Governance Code and any other applicable legislation and regulations.⁵⁶
10. Supervision of Financial Reporting
- 10.1 The Audit Committee shall regularly, and in any event as soon as possible, provide the Supervisory Board with reports on the Annual Accounts, and the interim figures, which will then be discussed at a meeting of the Supervisory Board. The Annual Accounts, the Report of the Managing Board and the report of the Supervisory Board for the year just ended shall be discussed in a meeting of the Supervisory Board within four months of this year end. The interim figures of the Company for the respective period just ended shall be discussed in a meeting of the Managing Board with the Supervisory Board.

⁵² Dutch Corporate Governance Code, best practice provision 2.2.6.

⁵³ Dutch Corporate Governance Code, best practice provision 2.2.7.

⁵⁴ Dutch Corporate Governance Code, best practice provision 2.6.4.

⁵⁵ Dutch Corporate Governance Code, best practice provision 2.3.11.

⁵⁶ See Dutch Corporate Governance Code, part 'Compliance with the Code'.

- 10.2 The Audit Committee shall report to the Supervisory Board on its deliberations and findings regarding the issues referred to in Article 5.3 of the charter of the Audit Committee, after which they will be discussed in a Supervisory Board meeting.⁵⁷
- 10.3 The External Auditor shall in any event attend the part of the meeting of the Supervisory Board at which the report of the External Auditor with respect to the audit of the Annual Accounts is discussed.⁵⁸ The Supervisory Board shall be permitted to examine the most important points of discussion arising between the External Auditor and the Managing Board based on the draft management letter or the draft audit report.⁵⁹
- 10.4 The line of contact between the Supervisory Board and the External Auditor is in principle through the chairman of the Audit Committee. The External Auditor shall inform the chairman of the Audit Committee without delay if, during the performance of his duties, he discovers or suspect misconduct or irregularities within the Group. If the actual (or suspected) misconduct or irregularity pertains to the functioning of a Managing Board member, the External Auditor reports this directly to the Chairman.⁶⁰
- 10.5 The Supervisory Board sees to it that the recommendations made by the External Auditor are considered carefully by the Managing Board and the Supervisory Board and, to the extent accepted, that they are actually carried out by the Managing Board. This supervision may be delegated to the Audit Committee.
11. Duties regarding Nomination and Assessment of the External Auditor
- 11.1 The External Auditor shall be appointed by the General Meeting of Shareholders.⁶¹ The Supervisory Board nominates a candidate for this appointment to the General Meeting of Shareholders and may recommend replacement of the External Auditor.
- 11.2 The Audit Committee shall report annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the External Auditor. The Supervisory Board gives the External Auditor a general idea of the content of the reports relating to his functioning.⁶²
- 11.3 The Audit Committee shall advise the Supervisory Board regarding the nomination with respect to the External Auditor's appointment or reappointment or dismissal and shall prepare the selection of the External Auditor. When doing so, the Audit Committee gives due consideration to the Managing Board observations. The Supervisory Board shall take this into account when deciding its nomination to the General Meeting of Shareholders for the appointment of an External Auditor.⁶³
- 11.4 The main conclusions of the Supervisory Board regarding the External Auditor's nomination and the outcomes of the External Auditor selection process shall be communicated to the General Meeting of Shareholders.⁶⁴ If the Supervisory Board does not accept the Audit Committee's advice concerning the External Auditor's appointment, the

⁵⁷ Dutch Corporate Governance Code, best practice provision 1.5.3 and 1.5.4.

⁵⁸ Dutch Corporate Governance Code, best practice provision 1.7.6.

⁵⁹ Dutch Corporate Governance Code, best practice provision 1.7.5.

⁶⁰ Dutch Corporate Governance Code, best practice provision 2.6.3.

⁶¹ An audit organisation may be appointed for a term of maximum 10 years, see Section 17 EU-Regulation 537/2014 (change of responsible partner after 5 years, Section 24 Act on the Supervision of Audit Organisations)

⁶² Dutch Corporate Governance Code, best practice provision 1.6.2.

⁶³ Dutch Corporate Governance Code, best practice provision 1.6.1.

⁶⁴ Dutch Corporate Governance Code, best practice provision 1.6.4.

reasons for this decision must be stated in the proposal to the General Meeting of Shareholders.⁶⁵

11.5 The Supervisory Board resolves, on a proposal submitted by the Audit Committee and facilitated by the Managing Board, on the External Auditor's engagement to audit the financial statements.⁶⁶ By way of implementation of the decision of the General Meeting of Shareholders, or as the case may be of the Supervisory Board or Managing Board⁶⁷, to appoint the External Auditor, the Supervisory Board will on behalf of the Company enter into an agreement to that effect with the External Auditor.

11.6 When appointed, the External Auditor is requested to state explicitly to the Company:

- (a) to comply and continue to comply with the requirements regarding independency as included in applicable laws and regulations; and
- (b) that he has been informed of all matters provided for in the Managing Board Regulations, these Regulations and the charter of the Audit Committee, that he agrees with and will co-operate fully with their implementation.

12. Remuneration of Managing Board Members

12.1 The Supervisory Board shall be responsible for formulating the remuneration policy of the Managing Board on a proposal by the Remuneration Committee⁶⁸, and its implementation. The remuneration policy shall be clear and understandable, shall focus on long-term value creation for the Group and take into account the internal pay ratios. The remuneration policy shall not encourage Managing Board members to act in their own interest, nor to take risks that are not in line with the strategy formulated and the risk appetite that has been established.⁶⁹

12.2 The Supervisory Board shall determine the remuneration of the individual Managing Board members on a proposal by the Remuneration Committee, within the scope of the remuneration policy adopted by the General Meeting of Shareholders. The inadequate performance of duties shall not be rewarded.⁷⁰

12.3 When drafting the proposal for the remuneration of Managing Board members, the Remuneration Committee shall take note of individual Managing Board members' views with regard to the amount and structure of their own remuneration.⁷¹

12.4 The Remuneration Committee shall annually on behalf of the Supervisory Board prepare a Remuneration Report, in which the Supervisory Board renders account of the implementation of the remuneration policy in a transparent manner.⁷² This report shall in any event contain the information as mentioned in Annex 5, and will be published on the Company website.⁷³

⁶⁵ Section 16(5) EU-Regulation 537/2014.

⁶⁶ Dutch Corporate Governance Code, best practice provision 1.6.3.

⁶⁷ See Section 2:393(2) DCC.

⁶⁸ Dutch Corporate Governance Code, best practice provision 3.1.1.

⁶⁹ Dutch Corporate Governance Code, Principle 3.1.

⁷⁰ Dutch Corporate Governance Code, Principle 3.2 and best practice provision 3.2.1; Section 2:135 Dutch Civil Code.

⁷¹ Dutch Corporate Governance Code, best practice provision 3.2.2.

⁷² Dutch Corporate Governance Code, Principle 3.4.

⁷³ Dutch Corporate Governance Code, best practice provision 3.4.1.

- 12.5 The Supervisory Board shall have the power to adjust upwards or downwards the value of a variable remuneration component conditionally awarded in a particular financial year if payment thereof is unacceptable according to standards of reasonableness and fairness.⁷⁴
- 12.6 The Supervisory Board shall have the power to claim back from the Managing Board members the variable remuneration component in part or in whole, in so far as payments were made on the basis of inaccurate information about the realisation of targets, or circumstances that such remuneration was made conditional to, that underlie the variable remuneration (*claw back clause*).⁷⁵
- 12.7 The main features of the contract of a Managing Board member with the Company for appointments as from 1 January 2004 shall, after its conclusion, be published on the Company's website at the latest at the date of the notice convening the General Meeting of Shareholders at which the appointment of the member of the Managing Board concerned shall be proposed.⁷⁶
- 12.8 The remuneration in the event of dismissal shall not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the Managing Board member, or in the event of seriously culpable or negligent behaviour on the part of the Managing Board member.⁷⁷
13. Relation with the Shareholders
- 13.1 Where appropriate, the Supervisory Board shall ensure that all shareholders and other parties in the financial markets will be provided with equal and simultaneous information about matters that may influence the share price.⁷⁸
- 13.2 The Managing Board and the Supervisory Board shall ensure that the General Meeting of Shareholders is adequately provided with information.⁷⁹ The Managing Board and the Supervisory Board shall endeavour to procure that the General Meeting of Shareholders is provided timely with all requested information, unless this would be contrary to an overriding interest of the Company. If the Managing Board or the Supervisory Board invoke an overriding interest, it shall state the reasons.⁸⁰
- 13.3 A proposal for approval or authorisation by the General Meeting of Shareholders shall be explained in writing. The Managing Board and the Supervisory Board shall in this explanation state all the facts and circumstances that are relevant for the approval or authorisation to be granted. The explanation to the agenda shall be posted on the Company's website.⁸¹
- 13.4 The Managing Board and the Supervisory Board ensure that each substantial change in the corporate governance structure of the Company and in the compliance with the Dutch Corporate Governance Code will be dealt with as separate agenda items.⁸²

⁷⁴ Section 2:135(6) Dutch Civil Code.

⁷⁵ Section 2:135(8) Dutch Civil Code.

⁷⁶ Dutch Corporate Governance Code, best practice provision 3.4.2.

⁷⁷ Dutch Corporate Governance Code, best practice provision 3.2.3.

⁷⁸ See also Section 5:25i Financial Supervision Act and Section 5:53 paragraph 1 Financial Supervision Act.

⁷⁹ Dutch Corporate Governance Code, Principle 4.2.

⁸⁰ Dutch Corporate Governance Code, best practice provision 4.2.1.

⁸¹ Dutch Corporate Governance Code, best practice provision 4.1.4.

⁸² Dutch Corporate Governance Code, best practice provision 4.1.3(vii).

- 13.5 The Managing Board and the Supervisory Board ensure compliance with all applicable legislation and regulations with respects to the rights of the General Meeting of Shareholders and the related rights of individual shareholders.
- 13.6 The members of the Supervisory Board shall be present at the General Meetings of Shareholders, unless they are unable to attend for important reasons. Under certain circumstances, a member of the Supervisory Board may attend the General Meeting of Shareholders through means of electronic communication.
- 13.7 The Supervisory Board sees to it that the responsible partner (certifying auditor) of the firm of the External Auditor is present at the General Meeting of Shareholders and that he can address the meeting. The External Auditor may be questioned by the General Meeting of Shareholders in relation to his report on the fairness of the financial statements.⁸³
- 13.8 The General Meetings of Shareholders are presided over by the Chairman or, in his absence, the vice-chairman. The Supervisory Board may designate someone else to preside over the meeting. The chairman of the General Meetings of Shareholders is responsible for ensuring the proper conduct of business at the meetings in order to promote a meaningful discussion at the meeting.⁸⁴
- 13.9 The Supervisory Board shall endeavour that minutes on the proceedings of the General Meeting of Shareholders are made available to the shareholders of the Company by publication on the Company's website no later than three months after the end of the meeting, following which the shareholders have another three months in which to respond to the minutes. The minutes are then adopted in the manner provided for in the Articles of Association,⁸⁵ by the chairman and the secretary of the meeting. The provisions of this clause 13.99 may be disregarded if a notarial deed is drawn up of the minutes of the proceedings. After adoption, the minutes are posted as soon as possible on the Company's website. Also, results of the voting in resolutions adopted by the General Meeting of Shareholders are posted on the Company's website as soon as possible after the meeting, where they are accessible for at least one year.⁸⁶
- 13.10 A resolution of the General Meeting of Shareholders may be evidenced through a statement from the chairman of the relevant General Meeting of Shareholders or the Company Secretary.

CHAPTER III SUPERVISORY BOARD MEETINGS; DECISION-MAKING

14. Frequency, Notice, Agenda and Venue of Meetings
- 14.1 The Supervisory Board shall meet as often as deemed necessary for the proper functioning of the Supervisory Board. The Supervisory Board shall meet at least 5 times a year. Meetings shall be scheduled annually as much as possible in advance. The Supervisory Board shall also meet earlier than scheduled if this is deemed necessary by the Chairman, two other members of the Supervisory Board, or the Managing Board.

⁸³ Dutch Corporate Governance Code, best practice provision 4.1.9.

⁸⁴ Dutch Corporate Governance Code, best practice provision 4.1.2.

⁸⁵ Dutch Corporate Governance Code, best practice provision 4.1.10.

⁸⁶ See Section 5:25m paragraph 3 and 4 Financial Supervision Act.

- 14.2 Meetings of the Supervisory Board are in principle called by the Company Secretary, in consultation with the Chairman. Save in urgent cases to be determined by the Chairman the agenda for a meeting shall be sent to all Supervisory Board members at least five calendar days before the meeting. For each item on the agenda an explanation in writing shall be provided, where possible, and/or other related documentation will be attached. The Chairman shall in principle, either directly or through the Company Secretary, consult on the content of the agenda with the CEO prior to convening the meeting.
- 14.3 Each Supervisory Board member, the CEO, and the Managing Board collectively, has the right to request that an item be placed on the agenda for a Supervisory Board meeting.
- 14.4 Supervisory Board meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings of the Supervisory Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
15. Attendance of and Admittance to Meetings
- 15.1 The Managing Board shall be requested to attend as many of the Supervisory Board meetings as possible, to the extent the Supervisory Board does not indicate that it wishes to meet in the absence of the Managing Board.
- 15.2 Supervisory Board members shall attend Supervisory Board meetings and the meetings of the committees of which they are part. If a Supervisory Board member is frequently absent from Supervisory Board meetings he shall be held accountable.⁸⁷
- 15.3 A Supervisory Board member may be represented at Supervisory Board meetings by another Supervisory Board member holding a proxy in writing. The existence of such authorisation must be proved satisfactorily to the chairman of the meeting.
- 15.4 The admittance to the meeting of persons other than Supervisory Board members, the Company Secretary and - if invited - members of the Managing Board shall be decided by the Chairman.
16. Chairman of the Meeting; Reports
- 16.1 Supervisory Board meetings are presided over by the Chairman or, in his absence, the vice-chairman. If both are absent, one of the other Supervisory Board members, designated by a majority of votes cast by the Supervisory Board members present at the meeting, shall preside.
- 16.2 The Company Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up a report on the proceedings at the meeting. The report shall provide insight into the decision-making process at the meeting. The report shall be adopted by the Supervisory Board at the next meeting.
17. Decision-making within the Supervisory Board
- 17.1 The Supervisory Board members shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.

⁸⁷ Dutch Corporate Governance Code, best practice provision 2.4.4.

- 17.2 Each Supervisory Board member has the right to cast one vote.
- 17.3 Where unanimity cannot be reached and the law, the Articles of Association or these Regulations do not prescribe a larger majority, all resolutions of the Supervisory Board are adopted by an absolute majority of the votes cast. In the event of a tie, the Chairman has the deciding vote if more than two Supervisory Board members are present or represented. At a meeting, the Supervisory Board may only pass resolutions if the majority of the Supervisory Board members are present or represented.
- 17.4 In general, resolutions of the Supervisory Board are adopted at a Supervisory Board meeting.
- 17.5 Supervisory Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Supervisory Board members then in office and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing, which can also be issued through a proxy, from all the Supervisory Board members. A statement from a Supervisory Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.
- 17.6 The Supervisory Board may deviate from the provisions of clauses 17.3 (last sentence), 17.4 and 17.5 if this is deemed necessary by the Chairman, considering the urgent nature and other circumstances of the case, provided that all Supervisory Board members are allowed the opportunity to participate in the decision-making process. The Chairman and the Company Secretary shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Supervisory Board.
- 17.7 A resolution adopted by the Supervisory Board may be evidenced outside the Company through a statement from the Chairman or the Company Secretary.

CHAPTER IV OTHER PROVISIONS

18. Conflicts of Interests
- 18.1 A Supervisory Board member is alert to conflicts of interest and shall in any case not:
- (a) enter into competition with the Group;
 - (b) demand or accept (substantial) gifts from the Group for himself or for his 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 to the detriment of the Group ; or
 - (d) take advantage of business opportunities to which the Group is entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.⁸⁸

⁸⁸ Dutch Corporate Governance Code, best practice provision 2.7.1.

- 18.2 A conflict of interest may exist if the Group intends to enter into a transaction with a legal entity:
- (a) in which a member of the Supervisory Board personally has a material financial interest, or
 - (b) which has a member of the management board or the supervisory board who has a relationship under family law⁸⁹ with a Supervisory Board member.⁹⁰
- 18.3 A Supervisory Board member shall without delay report any conflict of interest or potential conflict of interest in a transaction that is of material significance to any member of the Group and/or to the member concerned to the Chairman and shall provide all relevant information, including, if relevant, information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Chairman of the Supervisory Board shall without delay report any conflict of interest or potential conflict of interest that he has to the vice-chairman. The Supervisory Board member concerned shall not take part in the assessment by the Supervisory Board of whether a conflict of interest exists.⁹¹
- 18.4 A Supervisory Board member shall not take part in any deliberation and decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Group.⁹²
- 18.5 A Supervisory Board member who in connection with a (potential) conflict of interests does not exercise the duties and powers that he would otherwise have as a Supervisory Board member, will insofar be regarded as a Supervisory Board member who is unable to perform his duties (*belet*).
- 18.6 All transactions in which there are conflicts of interest with Supervisory Board members shall be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to any member of the Group and/or to the relevant Supervisory Board members require the approval of the Supervisory Board. Such transactions shall be published in the Report of the Managing Board, together with a declaration that best practice provisions 2.7.3 and 2.7.4. of the Dutch Corporate Governance Code have been complied with.⁹³
- 18.7 All transactions between the Group and individuals or legal entities who hold at least 10% of the shares in the Company must be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with such persons that are of material significance to any member of the Group and/or to such persons require the approval of the Supervisory Board. Such transactions shall be published in the Report of the Managing Board, together with a declaration that best practice provision 2.7.5. of the Dutch Corporate Governance Code has been complied with.⁹⁴

⁸⁹ A relation under family-law consists between a child, his parents and their blood relatives (Section 1:197 Dutch Civil Code).

⁹⁰ Dutch Corporate Governance Code, best practice provision 2.7.3, first paragraph.

⁹¹ Dutch Corporate Governance Code, best practice provision 2.7.3.

⁹² Section 2:140(5) Dutch Civil Code.

⁹³ Dutch Corporate Governance Code, best practice provision 2.7.4.

⁹⁴ Dutch Corporate Governance Code, best practice provision 2.7.5.

- 18.8 The Company and its Subsidiaries do not grant personal loans, guarantees or the like to Supervisory Board members, save as part of its usual business operations, and then only on conditions which apply to all employees and with the approval of the Supervisory Board. The relevant Supervisory Board member will pursuant to clause 19.4 not take part in the deliberations and decision-making within the Supervisory Board regarding this approval. Loans are not remitted.⁹⁵
- 18.9 The Supervisory Board is responsible for the decision-making on dealing with conflicts of interest regarding Managing Board members, Supervisory Board members and shareholders as referred to in clause 18.7 in relation to the Company.⁹⁶
19. Remuneration of Supervisory Board Members
- 19.1 The remuneration of the Supervisory Board members is determined by the General Meeting of Shareholders. The Supervisory Board shall submit clear and understandable proposals on its remuneration to the General Meeting of Shareholders.⁹⁷ If a Supervisory Board member is required to charge VAT on his fees, this will be paid by the Company.
- 19.2 The remuneration of a Supervisory Board member should promote an adequate performance of their role, should not depend on the results of the Company and should reflect the time spent and the responsibilities of their role.⁹⁸ A Supervisory Board member may not be awarded remuneration in the form of shares and/or rights to shares in the Company's capital.⁹⁹
- 19.3 Apart from their remuneration, Supervisory Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings, the reasonableness of such costs being assessed by the Chairman (costs incurred by the Chairman are assessed by the vice-chairman). Any other expenses are only reimbursed, in whole or in part, if incurred with the consent of the Chairman or the Company Secretary on his behalf (or if it concerns the Chairman, the vice-chairman or the Company Secretary on his behalf).
20. Introduction Programme, Ongoing Training and Education
- 20.1 All Supervisory Board members shall follow an introduction programme geared to their role that covers general financial, social and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, the culture and the responsibilities of a Supervisory Board member.¹⁰⁰
- 20.2 The Supervisory Board shall conduct an annual review to identify any aspects with regard to which the Supervisory Board members require further training or education during their term of office.¹⁰¹
- 20.3 The introduction course, training and education shall be facilitated and paid for by the Company.

⁹⁵ Dutch Corporate Governance Code, best practice provision 2.7.6.

⁹⁶ Dutch Corporate Governance Code, Principle 2.7.

⁹⁷ Dutch Corporate Governance Code, Principle 3.3.

⁹⁸ Dutch Corporate Governance Code, Principle 3.3. and best practice provision 3.3.1.

⁹⁹ Dutch Corporate Governance Code, best practice provision 3.3.2.

¹⁰⁰ Dutch Corporate Governance Code, best practice provision 2.4.5.

¹⁰¹ Dutch Corporate Governance Code, best practice provision 2.4.6.

21. Other Positions

- 21.1 A Supervisory Board member shall report any other position he may have to the Chairman and the Company Secretary before accepting such positions. The additional positions will be discussed at least annually at a meeting of the Supervisory Board.¹⁰²
- 21.2 If the Chairman determines that there is a risk of a conflict of interest, the matter shall be discussed by the Supervisory Board in accordance with clause 18. If such conflict concerns the Chairman, he will inform the vice-chairman who then carries out the task of the Chairman as referred to in the previous sentence. The Company Secretary shall keep a list of the outside positions concerned of each Supervisory Board member.
- 21.3 A member of the Supervisory Board will hold no more than five supervisory memberships of boards of Dutch large companies or large foundations, with a chairmanship counted twice.¹⁰³

22. Holding and Trading Securities

- 22.1 Any shareholding in the Company by Supervisory Board members is for the purpose of long-term investment.¹⁰⁴
- 22.2 Supervisory Board members are bound to the Rules on Inside Information and Insider Dealing of the Company regarding financial instruments of the Company and other financial instruments referred to in those Rules.¹⁰⁵ The Rules on Inside Information and Insider Dealing are posted on the Company's website.
- 22.3 With respect to the ownership of and transactions in any financial instruments Supervisory Board members must at all times comply with all applicable laws and regulations.

23. Confidentiality

No Supervisory Board member shall, during his membership of the Supervisory Board or afterwards, disclose in any way whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and any companies in which it holds a stake and which he knows or should know to be of a confidential nature, unless required by law. A Supervisory Board member is allowed to disclose the above information to Managing Board members and Supervisory Board members as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information concerned. A Supervisory Board member shall not in any way whatsoever utilise the information referred to above for his personal benefit.

24. Miscellaneous

- 24.1 Acceptance by Supervisory Board members. Anyone who is appointed as a Supervisory Board member must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of these Regulations and pledge to the Company that

¹⁰² Dutch Corporate Governance Code, best practice provision 2.4.2.

¹⁰³ Section 2:142a Dutch Civil Code contains detailed provisions.

¹⁰⁴ Dutch Corporate Governance Code, best practice provision 3.3.3.

¹⁰⁵ Dutch Corporate Governance Code, best practice provision 2.7.2.

he will comply with the provisions of these Regulations. These Regulations are also applicable to anyone who is designated as a substitute member for a Supervisory Board member in absence or prevented from acting.

- 24.2 Occasional non-compliance. Subject to applicable law and regulation, the Supervisory Board may occasionally decide at its sole discretion not to comply with these Regulations.
- 24.3 Amendment. These Regulations may be amended by the Supervisory Board at its sole discretion without prior notification. Prior to amendment of these Regulations the Managing Board shall be consulted.
- 24.4 Interpretation. In case of uncertainty or difference of opinion on how a provision of these Regulations should be interpreted, the opinion of the Chairman shall be decisive.
- 24.5 Governing law and jurisdiction. These Regulations are governed by the laws of the Netherlands. The courts of the Netherlands 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).
- 24.6 Complementarity to Dutch law and Articles of Association. These Regulations are complementary to the provisions governing the Supervisory Board as contained in Dutch law, other applicable Dutch or EU regulations and the Articles of Association. Where these Regulations are inconsistent with Dutch law, other applicable Dutch or EU rules and regulations or the Articles of Association, the latter shall prevail. Where these Regulations are consistent with the Articles of Association but inconsistent with Dutch law or other applicable Dutch or EU rules and regulations, the latter shall prevail.
- 24.7 Partial invalidity. If one or more provisions of these Regulations are or become invalid, this shall not affect the validity of the remaining provisions. The Supervisory Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these Regulations is, to the greatest extent possible, similar to that of the invalid provisions.

ANNEX 1

LIST OF DEFINITIONS

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

Annual Accounts means the annual accounts of the Group as referred to in Sections 2:101 and 2:361(1) of the Dutch Civil Code.

Articles of Association means the articles of association of the Company.

Audit Committee means the audit committee of the Supervisory Board.

Regulations means the Regulations of the Managing Board or the Regulations of the Supervisory Board, depending on the context, including the annexes belonging thereto.

CEO means the chief executive officer, who is also the chairman of the Managing Board and Executive Committee of the Company.

Chairman means the chairman of the Supervisory Board.

Committee means each committee of the Supervisory Board.

Company means Koninklijke DSM N.V.

Company Secretary means the company secretary of the Company appointed in accordance with clause 4 of the Regulations of the Managing Board.

Executive Committee means the Executive Committee of the Company.

External Auditor means the accounting and auditing firm that, in accordance with Section 2:393 of the Dutch Civil Code, is charged with the audit of the Annual Accounts.

General Meeting of Shareholders means the general meeting of shareholders of the Company.

Group, Group Company and/or Group Companies has the meaning attributed to it in section 2:24b of the Dutch Civil Code.

In writing means by letter, by e-mail, or by message which is transmitted via any other current means of communication and which can be received in written form.

Managing Board means the management board of the Company.

Nomination Committee means the nomination committee of the Supervisory Board.

Remuneration Committee means the remuneration committee of the Supervisory Board.

Remuneration Report means the remuneration report of the Supervisory Board regarding the remuneration policy of the Company as drawn up by the Remuneration Committee.

Report of the Managing Board means the report of the management board of the Company drawn up by the Managing Board, as referred to in Sections 2:101 and 2:391 of the Dutch Civil Code.

Supervisory Board means the supervisory board of the Company.

Supervisory Board Profile means the profile for the size and composition of the Supervisory Board, as designated in clause 1.1.

2. Save where the context dictates otherwise, in these Regulations:
 - (a) unless a different intention clearly appears, a reference to a clause or Annex is a reference to a clause or annex of these Regulations;
 - (b) words and expressions expressed in the singular form also include the plural form, and vice versa;
 - (c) words and expressions expressed in the masculine form also include the feminine form; and
 - (d) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.
3. Headings of clauses and other headings in these Regulations are inserted for ease of reference and do not form part of these Regulations for the purpose of interpretation.

ANNEX 2

SUPERVISORY BOARD PROFILE

A. General

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

B. Knowledge and experience

The Supervisory Board should possess (international) knowledge and experience in the following fields:

- general management
- finance / accounting / auditing
- risk
- strategy
- marketing / sales
- manufacturing & operations
- research & development / innovation / technology
- safety
- sustainability & environment
- emerging economies
- people & organization
- information technology & digital
- governance, compliance & legal affairs
- public affairs
- the company's business (life sciences & material sciences, (bio)chemicals and biotechnology)

C. Diversity¹⁰⁶

The composition of the Supervisory Board should be as varied as possible taking into account:

- knowledge
- experience
- age
- board tenure
- gender (aiming for at least 30% male and at least 30% female members)
- nationality / cultural background (aiming for a maximum of 50% of one nationality / cultural background)

D. Individual members of the Supervisory Board

Individual members should be prepared and willing to fulfil the role as member of the Supervisory Board according to the Dutch Law, the Dutch Corporate Governance Code, the Company's Articles of Association and these Regulations. At the moment of his/her appointment each member should subscribe to the DSM Code of Business Conduct and should not have a conflicting interest with the company.

¹⁰⁶ Dutch Corporate Governance Code, best practice provision 2.1.5.

Each member should be capable of assessing the broad outline of the overall policy and should fit in the overall Supervisory Board composition described above, having knowledge or experience in one or more of the fields mentioned with at least one member having competence in accounting and auditing.¹⁰⁷

Members should represent the following qualities:

- integrity
- able to operate independently and critically vis-à-vis the other members and the Managing Board members¹⁰⁸
- an open eye for the interests of the company and its various stakeholders
- aware of global trends in society (economic, social, environmental)
- a social antenna/an antenna for inter-personal dynamics
- proven success/prominence in society
- analytical and critical but solution-oriented
- having enough time available to fulfil their task adequately
- prepared to be evaluated periodically
- willing to sit on Supervisory Board committees
- willing to follow introduction and training programmes
- fluent in the English language

E. Procedures

On the occasion of each appointment and re-appointment of a Supervisory Board member this profile will have to be respected.

Every year the Nomination Committee will evaluate whether the actual situation reflects the desired, diverse composition of the Board and the desired qualities of each individual, and will report its findings to the Supervisory Board.

To the extent that the actual situation differs from the diversity of composition aimed for in this profile, the Supervisory Board must account for such discrepancy in the Integrated Annual Report of the company, and indicate how and within what period it expects to achieve this aim.

This profile is to be renewed regularly by the Nomination Committee. The Committee will report its findings to the Supervisory Board.

¹⁰⁷ Dutch Corporate Governance Code, best practice provision 2.1.4 and Audit Committee Decree 2016, article 2(3).

¹⁰⁸ Dutch Corporate Governance Code, best practice provision 2.1.7.

ANNEX 3

LIST OF APPROVAL ITEMS SUPERVISORY BOARD

1. The approval of the Supervisory Board is required for:

- (a) the operational and financial aims of the Group, the strategy designed to achieve these aims, and the parameters to be applied in relation to the strategy;
- (b) the annual review of the strategy;
- (c) the annual capital budget of the Group and semi-annual revision of such budget;
- (d) the annual financing plan of the Group and semi-annual revision of such plan;
- (e) all transactions by any member of the Group regarding acquisition, divestiture or joint venture projects with an invested capital of € 30 million or more;
- (f) any investment projects of any member of the Group not included in the capital budget and acquisitions / divestitures of assets in excess of € 30 million;
- (g) any funding of any member of the Group by way of equity, loans or otherwise by the Company or any other member of the Group in excess of € 30 million;
- (h) guarantees concerning non-consolidated companies if the value exceeds € 30 million;
- (i) lay-offs by any member of the Group in excess of 250 persons within a 12-month period;
- (j) the establishment or discontinuation of an Executive Committee;¹⁰⁹
- (k) the appointment and removal of the Company Secretary;¹¹⁰
- (l) all transactions between any member of the Group and natural or legal persons who hold at least 10% of the shares in the Company that are of material significance to the Group and/or such persons;¹¹¹
- (m) all transactions in which there are conflicts of interest with Managing Board members that are of material significance to the Group and/or the relevant Managing Board members;¹¹²
- (n) all transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Group and/or the relevant Supervisory Board members;¹¹³
- (o) all other acts that require the approval by legislation, the Articles of Association, the Regulations of the Managing Board, the Regulations of the Supervisory Board, the Dutch Corporate Governance Code or any other applicable legislation.

¹⁰⁹ Managing Board Regulations, clause 2.1.

¹¹⁰ Managing Board Regulations, clause 5.1.

¹¹¹ Managing Board Regulations, clause 18.7 and clause 18.7 of these Regulations.

¹¹² Managing Board Regulations, clause 18.9.

¹¹³ Supervisory Board Regulations, clause 18.9.



2. For information purposes, the Supervisory Board will be provided with the following:

- (a) a yearly overview of the allocation of the Group's R&D spend;
- (b) lay-offs by any member of the Group of 100 to 250 persons within a 12-month period.

ANNEX 4

INFORMATION TO BE INCLUDED IN THE SUPERVISORY BOARD REPORT¹¹⁴

The report of the Supervisory Board shall in any case contain the following information:

- (c) an account of the involvement of the Supervisory Board in the establishment of the strategy, and the way in which the Supervisory Board monitors its implementation;¹¹⁵
- (d) the attendance percentage at Supervisory Board meetings and Committee meetings of each Supervisory Board member;¹¹⁶
- (e) a statement that in the opinion of the Supervisory Board clause 1.4(e), 1.5 and 3.1 of these Regulations have been complied with and which member or members of the Supervisory Board, if any, shall not be deemed independent;¹¹⁷
- (f) a reference as to how the evaluation of the Supervisory Board, the Committees and the individual members of the Supervisory Board described in clause 8.3 of these Regulations has been carried out and what has been of will be done with the conclusions from the evaluations;¹¹⁸
- (g) a reference as to how the evaluation of the Managing Board and the individual members of the Managing Board described in clause 8.4 of these Regulations has been carried out and what has been or will be done with the conclusions from the evaluations;¹¹⁹
- (h) the arguments for reappointment of a member of the Supervisory Board after a period of eight years;¹²⁰
- (i) a reference to the Supervisory Board resolutions pursuant to clause 24.2 of these Regulations, to the extent of material significance;
- (j) for each Committee: a report on how it has performed its duties in the financial year; its composition, number of meetings and the main issues discussed;¹²¹
- (k) the following information on each Supervisory Board member:¹²² (i) gender; (ii) age; (iii) nationality; (iv) chief position; (v) other positions to the extent relevant for the performance of his duties as member of the Supervisory Board; (vi) date of initial appointment and (vii) term of current appointment.

¹¹⁴ Dutch Corporate Governance Code, best practice provision 2.3.11.

¹¹⁵ Dutch Corporate Governance Code, best practice provision 1.1.3.

¹¹⁶ Dutch Corporate Governance Code, best practice provision 2.4.4.

¹¹⁷ Dutch Corporate Governance Code, best practice provision 2.1.10.

¹¹⁸ Dutch Corporate Governance Code, best practice provision 2.2.8(i) en (iii).

¹¹⁹ Dutch Corporate Governance Code, best practice provision 2.2.8(ii) en (iii).

¹²⁰ Dutch Corporate Governance Code, best practice provision 2.2.2.

¹²¹ Dutch Corporate Governance Code, best practice provision 2.3.5.

¹²² Dutch Corporate Governance Code, best practice provision 2.1.2.

ANNEX 5

INFORMATION TO BE INCLUDED IN THE REMUNERATION REPORT

The Remuneration Report shall contain an account of the manner in which the remuneration policy has been implemented in the past financial year.¹²³

The overview shall furthermore, in any event, contain the following information:¹²⁴

- (a) how the implementation of the remuneration policy contributes to long-term value creation;
- (b) that scenario analyses have been taken into consideration;
- (c) the pay ratios within the Group and, if applicable, any changes in these ratios in comparison with the previous financial year;
- (d) in the event Managing Board members receive 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
- (e) in the event that a current or former Managing Board member receives a severance payment, the reason for this payment.

¹²³ Dutch Corporate Governance Code, best practice provision 3.4.1 (i).

¹²⁴ Dutch Corporate Governance Code, best practice provision 3.4.1 (ii), (iii), (iv), (v) and (vi).