

**ALFEN N.V.**

**BY-LAWS MANAGEMENT BOARD**

**Adopted by the Management Board on 22 March 2018**

**Approved by the Supervisory Board on 22 March 2018**

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## INTRODUCTION

- 0.1 These By-Laws are established pursuant to article 15.2 of the Articles of Association, subject to any deviations provided for in the comply-or-explain statement of the Company.
- 0.2 These By-Laws are complementary to the provisions regarding the Management Board and the Management Board members contained in applicable law and regulation, the Articles of Association and the rules pertaining to the relationship between the Supervisory Board and the Management Board contained in the By-Laws of the Supervisory Board.
- 0.3 These By-Laws are posted on the Company's website.
- 0.4 The meaning of certain capitalised or uncapitalised terms used in these By-Laws are set forth in the List of Definitions attached as **Annex 1**.

## CHAPTER 1 COMPOSITION OF THE MANAGEMENT BOARD; POSITIONS

### 1. COMPOSITION; DIVISION OF TASKS

- 1.1 The Management Board members are appointed by the General Meeting of Shareholders. The number of Management Board members is determined by the Supervisory Board after consultation with the Management Board. The Supervisory Board nominates one or more candidates for appointment.
- 1.2 Management Board members appointed after 22 March 2018, are appointed for a maximum of four years per term, up to and including the first General Meeting of Shareholders taking place in the fourth year after appointment.<sup>1</sup>
- 1.3 The nomination of the Supervisory Board is in accordance with the diversity policy drawn up by the Supervisory Board with regard to the composition of the Management Board. The diversity policy 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.<sup>2</sup>
- 1.4 Management Board members that are nominated for appointment shall attend the General Meeting of Shareholders at which votes will be cast on their nomination.<sup>3</sup>
- 1.5 Management Board members shall retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board in order to avoid as much as possible the situation in which many Management Board members retire at the same time. The current rotation plan is attached as **Annex 2**. The Supervisory Board may at any time amend the rotation plan. Amendments to the rotation plan, however, do not entail that a sitting Management Board member remains in office for a longer period than he was appointed for, or that he retires against his will before his term has expired.
- 1.6 A Management Board member shall retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.<sup>4</sup>

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision 2.2.1.

<sup>2</sup> Dutch Corporate Governance Code, best practice provision 2.1.5.

<sup>3</sup> Dutch Corporate Governance Code, best practice provision 4.1.8.

<sup>4</sup> Dutch Corporate Governance Code, best practice provision 2.2.3.

- 1.7 Individual Management Board members may be charged with specific parts of the managerial tasks, without prejudice to the collective responsibility of the Management Board as a whole. The Management Board remains collectively responsible for decisions, even if they are prepared by individual Management Board members. An individual Management Board member may only exercise such powers as are explicitly attributed or delegated to him and he may never exercise powers beyond those exercisable by the Management Board as a whole.
- 1.8 The division of tasks within the Management Board is determined (and amended, if necessary) by the Management Board, subject to the approval of the Supervisory Board. Management Board members specifically charged with particular managerial tasks are primarily responsible for the risk control and monitoring of the managerial tasks concerned. The current division of tasks between the Management Board members for the CEO and CFO are described in Clauses 2 and 3.
- 1.9 Each Management Board member must inform the other Management Board members in a clear and timely manner about the way in which he has used delegated powers and about major developments in the area of his responsibilities.

## **2. CHIEF EXECUTIVE OFFICER**

- 2.1 The Supervisory Board appoints one of the Management Board members as CEO.
- 2.2 The CEO is primarily responsible for:
  - (a) preparing an agenda and chairing meetings of the Management Board;
  - (b) ensuring that budgets and policy plans are drawn up in a timely manner;
  - (c) ensuring that the Management Board functions effectively and makes decisions in a collective manner;
  - (d) determining whether a proposed resolution should be brought to the Management Board for a vote;
  - (e) ensuring that passed resolutions are in accordance with the strategy that should lead to the realisation of the objectives of the Company as referred to in Clause 4;
  - (f) supervising the implementation of passed resolutions and determining if further consultation with the Management Board on their implementation is required; and
  - (g) consulting on an ad hoc basis with Management Board members regarding their respective tasks.
- 2.3 The CEO is also responsible for the following matters regarding the relationship between the Management Board and the Supervisory Board:
  - (a) submitting items on the agenda and in this regard preparing meetings of the Supervisory Board in consultation with the Chairman of the Supervisory Board and supported by the Company Secretary, if appointed;
  - (b) ensuring that the Supervisory Board is provided with all information necessary for the proper performance of its duties;

- (c) overseeing and ensuring communications of the Management Board with the Supervisory Board;
- (d) involving the Supervisory Board in a timely manner when formulating the strategy concerning the long-term value creation;
- (e) consulting regularly with the Chairman of the Supervisory Board and consulting other members of the Supervisory Board if deemed necessary or advisable; and
- (f) considering requests of Management Board members to consult with particular members of the Supervisory Board regarding their area of expertise.

2.4 The CEO is assisted in the organisation of the matters set out in Clauses 2.2 and 2.3 by the Company Secretary, if appointed.

### **3. CHIEF FINANCIAL OFFICER**

3.1 The Supervisory Board appoints one of the Management Board members as CFO.

3.2 The CFO is primarily responsible for:

- (a) formulating, communicating and executing the Company's financial strategy;
- (b) formulating, communicating and executing the Company's business risk and audit strategy;
- (c) overseeing and ensuring the integrity of the Company's accounts;
- (d) the functioning of the internal audit function, if applicable;
- (e) the financial, tax and management accounting reporting of the Company; and
- (f) performing any other related duties as may be prescribed from time to time by the Management Board.

3.3 The CFO is also responsible for taking part in meetings of the Supervisory Board to explain and discuss, among other things:<sup>5</sup>

- (a) the integrity of the financial statements of the Company (including but not limited to the choice of accounting policies, application and assessments of the effects of new rules, information about the handling of estimated items in the Annual Accounts and forecasts);
- (b) the qualifications, independence, remuneration and non-auditing work of the External Auditor for the Company (without prejudice to the responsibilities of the Supervisory Board in the area of finance, accounting and tax);
- (c) the performance of tasks by the internal audit function, if applicable, and the External Auditor;
- (d) the financial reporting process;
- (e) risk management;

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<sup>5</sup> Dutch Corporate Governance Code, best practice provision 1.5.2.

- (f) the system of internal business controls (including but not limited to the effect of internal risk management and control systems);
- (g) compliance by the Company with laws and regulations and applicable codes of conduct in the area of finance, accounting and tax;
- (h) compliance by the Company with recommendations of the External Auditor and the Company's internal audit function, if applicable;
- (i) the financing of the Company and finance-related strategies; and
- (j) the Company's tax policy.

## **CHAPTER II DUTIES AND POWERS**

### **4. GENERAL DUTIES AND POWERS**

- 4.1 The Management Board is charged with the management of the Company, which means, among other things, that it is responsible for the continuity of the Company and its affiliated enterprise. The Management Board focuses on long-term value creation for the Company and its affiliated enterprise(s), and takes into account the stakeholders interests that are relevant in this context.<sup>6</sup> The responsibility for the management of the Company is vested collectively in the Management Board. The Supervisory Board monitors the Management Board in this.
- 4.2 The Management Board members shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of its individual members.
- 4.3 The Management Board is responsible for the compliance with all relevant laws and regulations. The Management Board is, together with the Supervisory Board, responsible for the corporate governance structure of the Company and compliance with the Dutch Corporate Governance Code.<sup>7</sup>
- 4.4 The Management Board is responsible for creating a culture that contributes to long-term value creation of the Company. The Management Board shall:<sup>8</sup>
- (a) adopt common values for the Company and its affiliated enterprise that contribute to a culture focused on long-term value creation and discuss these with the Supervisory Board; the Management Board is responsible for the incorporation and maintenance of the values within the Company and its affiliated enterprise;
  - (b) encourage behaviour that is in keeping with the values, and propagate these values through leading by example; and
  - (c) draw up a code of conduct and monitor its effectiveness and compliance with this Code, both on the part of itself and of the employees of the Company.

The conduct and culture in the Company and its affiliated enterprise shall be discussed in the consultations between the Management Board, the Supervisory Board and the (central) Works Council.<sup>9</sup>

<sup>6</sup> Dutch Corporate Governance Code, best practice provision 1.1.

<sup>7</sup> Dutch Corporate Governance Code, part: 'Compliance with the Code'.

<sup>8</sup> Dutch Corporate Governance Code, best practice provisions 2.5.1 and 2.5.2.

<sup>9</sup> Dutch Corporate Governance Code, best practice provision 2.5.3.

- 4.5 The Management Board promotes a culture of openness and accountability within the Management Board.<sup>10</sup>
- 4.6 The Management Board shall ensure that employees have the possibility of reporting actual (or suspected) misconduct or irregularities in the Company to the CEO or an officer designated thereto, without jeopardising their legal position. When these concern the functioning of the Management Board members, it shall be reported to the Chairman of the Supervisory Board. The Management Board informs the Chairman of the Supervisory Board without delay on signs of actual (or suspected) material misconduct or irregularities within the Company and its affiliated enterprise.<sup>11</sup>
- 4.7 The Management Board shall comply with the Related Party Transaction policy once adopted, the agreed form document is included in **Annex 3**.
- 4.8 At least once a year the Management Board shall itself evaluate the functioning of the Management Board as a whole and the functioning of its individual members, and discuss the conclusions that must be drawn on the basis thereof.<sup>12</sup>

## 5. STRATEGY AND RISKS

- 5.1 The Management Board shall develop a view on long-term value creation by the Company and its affiliated enterprise and shall formulate a strategy in line with this. When developing the strategy, attention shall in any event be paid to:<sup>13</sup>
- (a) the strategy's implementation and feasibility;
  - (b) the business model applied by the Company and the market in which the Company and its affiliated enterprise operate;
  - (c) opportunities and risks for the Company;
  - (d) the Company's operational and financial goals and their impact on its future position in relevant markets;
  - (e) the interests of the stakeholders;
  - (f) any other aspects relevant to the Company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery; and
  - (g) the information and communication technology (ICT) systems of the Company and the affiliated risks of cyber security (including disturbance, failure or abuse of ICT).<sup>14</sup>
- 5.2 The Management Board shall engage the Supervisory Board at an early stage in formulating the strategy for realising long-term value creation, and renders account to the Supervisory Board of the strategy and the explanatory notes to that strategy.<sup>15</sup>
- 5.3 The Management Board shall identify and analyse the risks associated with the Company's strategy and activities and its affiliated enterprise. It is responsible for establishing the risk appetite, and also

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<sup>10</sup> Dutch Corporate Governance Code, best practice provision 2.4.1.

<sup>11</sup> Dutch Corporate Governance Code, best practice provision 2.6.1. and 2.6.2.

<sup>12</sup> Dutch Corporate Governance Code, best practice provision 2.2.7.

<sup>13</sup> Dutch Corporate Governance Code; best practice provision 1.1.1.

<sup>14</sup> Cyber Security Council; Cybersecurity guide for Management Board members

<sup>15</sup> Dutch Corporate Governance Code, best practice provision 1.1.2.

the measures that are put in place in order to counter the risks being taken.<sup>16</sup> Based on the risk assessment, the Management Board shall design, implement and maintain adequate internal risk management and control systems.<sup>17</sup>

- 5.4 The Management Board monitors the operation of the internal risk management and control systems and conducts a systematic assessment of the design and effectiveness of the systems at least once a year. The monitoring covers all material control measures, relating to strategic, operational, compliance and reporting risks. Attention shall be given to observed weaknesses, instances of misconduct and irregularities, indications from whistle-blowers, lessons learned and findings from the internal audit function, if applicable, and the External Auditor. Where necessary, improvements shall be made to the internal risk management and control systems.<sup>18</sup>
- 5.5 The Management Board discusses the effectiveness of the design and the operation of the internal risk management and control systems with the Supervisory Board.<sup>19</sup>

## **6. INTERNAL AUDIT FUNCTION**

- 6.1 If there is no separate department for the internal audit function, the Supervisory Board will assess annually whether adequate alternative measures have been taken and will consider whether it is necessary to establish an internal audit department. The Supervisory Board should include the conclusions, along with any resulting recommendations and alternative measures, in the report of the Supervisory Board. The following provisions apply to the extent it has been resolved by the Management Board to install an internal audit function.
- 6.2 The duty of the internal audit function is to assess the design and the operation of the internal risk management and control systems. The internal audit function shall have sufficient resources to execute the internal audit plan and shall have direct access to the Supervisory Board and the External Auditor.<sup>20</sup> The Management Board is responsible for the internal audit function.<sup>21</sup>
- 6.3 The Management Board both appoints and dismisses the senior internal auditor which decisions will be submitted to the Supervisory Board for approval.<sup>22</sup>
- 6.4 The Management Board annually assesses the way in which the internal audit function fulfils its responsibility, taking into account the Supervisory Board's opinion.<sup>23</sup>
- 6.5 The Management Board adopts terms relating to the internal audit function and may amend these at any time with the approval of the Supervisory Board. These terms mark the role and responsibility of the internal audit function, its composition and in which manner it should perform its tasks.
- 6.6 The Management Board and the Supervisory Board will be asked to approve the audit plan of the internal audit function. The internal audit function will draw up its audit plan involving the Management Board, the Supervisory Board and the External Auditor.<sup>24</sup>

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<sup>16</sup> Dutch Corporate Governance Code, best practice provision 1.2.1.

<sup>17</sup> Dutch Corporate Governance Code, best practice provision 1.2.2.

<sup>18</sup> Dutch Corporate Governance Code, best practice provision 1.2.3.

<sup>19</sup> Dutch Corporate Governance Code, best practice provision 1.4.1.

<sup>20</sup> Dutch Corporate Governance Code, best practice provision 1.3.4.

<sup>21</sup> Dutch Corporate Governance Code, Principle 1.3.

<sup>22</sup> Dutch Corporate Governance Code, best practice provision 1.3.1.

<sup>23</sup> Dutch Corporate Governance Code, best practice provision 1.3.2.

<sup>24</sup> Dutch Corporate Governance Code, best practice provision 1.3.3.

## **7. FINANCIAL REPORTING; ANNUAL ACCOUNTS AND REPORT OF THE MANAGEMENT BOARD**

- 7.1 The Management Board is responsible for establishing and maintaining internal procedures that ensure that all major financial information is known to the Management Board, so that the timeliness, completeness and accuracy of the external financial reporting are assured. For this purpose the Management Board shall ensure that financial information from business divisions and/or Subsidiaries is reported directly to itself and that the integrity of that information is not compromised.<sup>25</sup>
- 7.2 The Management Board is responsible for the quality and completeness of publicly disclosed financial reports.<sup>26</sup>
- 7.3 The Management Board shall prepare half-yearly figures that will be discussed at the first meeting of the Supervisory Board thereafter.
- 7.4 Annually, at the latest in April, the Management Board shall submit the Report of the Management Board and the Annual Accounts together with the required additional information, to the Supervisory Board for discussion. The Management Board shall release the Report of the Management Board and the Annual Accounts within four months of the end of the financial year.
- 7.5 The Management Board shall ensure that the information listed in **Annex 4** is included in the Report of the Management Board.

## **8. RELATION WITH THE EXTERNAL AUDITOR**

- 8.1 The Management Board shall ensure that the External Auditor can properly perform his audit work, and it shall encourage both the External Auditor and the Company to properly perform and pursue the role and the policy of the Company regarding the External Auditor, as provided for by agreement with the External Auditor, these By-Laws, the By-Laws of the Supervisory Board and the terms of the internal audit function, if applicable.
- 8.2 The Management Board and the Supervisory Board maintain on regular basis contact with the External Auditor. In its contact with the External Auditor the Management Board discusses at least the draft audit plan before presenting it to the Supervisory Board.<sup>27</sup> The Management Board ensures that the External Auditor receives all information necessary for completing his task and will give the External Auditor the opportunity to respond to the information that has been provided.<sup>28</sup>
- 8.3 The Supervisory Board is permitted to examine the most important points of discussion arising between the External Auditor and the Management Board based on the draft management letter or the draft audit report.<sup>29</sup>
- 8.4 The Management Board annually reports its observations to the Supervisory Board on the functioning of the External Auditor and the fulfilment of his duties, in respect of the (re)appointment or dismissal of the External Auditor and the issue of a new audit-engagement.<sup>30</sup> The Management Board facilitates the process of appointment of the External Auditor, paying attention to the scope of the audit, the materiality to be used and remuneration for the audit.<sup>31</sup>

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<sup>25</sup> Dutch Corporate Governance Code 2009, best practice provision V.1.3.

<sup>26</sup> Dutch Corporate Governance Code 2009, Principle V.1.

<sup>27</sup> Dutch Corporate Governance Code, Principle 1.7 and best practice provision 1.7.2.

<sup>28</sup> Dutch Corporate Governance Code, best practice provision 1.7.1.

<sup>29</sup> Dutch Corporate Governance Code, best practice provision 1.7.5.

<sup>30</sup> Dutch Corporate Governance Code, best practice provision 1.6.1.

<sup>31</sup> Dutch Corporate Governance Code, best practice provision 1.6.3.

8.5 The Management Board publishes a press release in the event of the early termination of the relationship with external audit firm, which shall explain the reasons for such early termination.<sup>32</sup>

## **9. RELATION WITH THE SUPERVISORY BOARD**

9.1 The CEO is the first contact for the Chairman of the Supervisory Board and the other members of the Supervisory Board.

9.2 The CEO and CFO attend as many meetings of the Supervisory Board as possible, to the extent the Supervisory Board does not indicate that it wishes to meet in the absence of the CEO and CFO. If requested, other Management Board members also attend meetings of the Supervisory Board.<sup>33</sup>

9.3 The Management Board stimulates a culture of openness and accountability between the Management Board and the Supervisory Board.<sup>34</sup>

9.4 In relation to the provision of information and the exercise of duties and powers by the Supervisory Board and its members, the Management Board and its members shall act in accordance with the provisions applying to the Management Board and its members under or pursuant to these By-Laws, the By-Laws of the Supervisory Board, the Articles of Association and the applicable laws and regulations.

9.5 The Management Board sees to it 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 fashion.<sup>35</sup>

## **10. RELATION WITH THE SHAREHOLDERS**

10.1 The Management Board and the Supervisory Board ensure that the General Meeting is adequately provided with information.<sup>36</sup>

10.2 The Management Board and the Supervisory Board provide the General Meeting of Shareholders timely with all requested information, unless this would be contrary to an overriding interest of the Company. If the Management Board and the Supervisory Board invoke an overriding interest, it shall state the reasons.<sup>37</sup>

10.3 The agenda of the General Meeting of Shareholders shall list which items are for discussion and which items are to be voted on.<sup>38</sup>

10.4 Proposals for the following items shall be dealt with as separate agenda items:

- (a) material changes to the Articles of Association;
- (b) the appointment of Management Board members and the Supervisory Board members;
- (c) the policy of the Company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend);

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<sup>32</sup> Dutch Corporate Governance Code, best practice provision 1.6.5.

<sup>33</sup> See Clause 15.1 of the by-laws of the Supervisory Board.

<sup>34</sup> Dutch Corporate Governance Code, best practice provision 2.4.1.

<sup>35</sup> Dutch Corporate Governance Code, best practice provision 2.4.7.

<sup>36</sup> Dutch Corporate Governance Code, Principle 4.2.

<sup>37</sup> Section 2:107 lid 2 of the Dutch Civil Code and Dutch Corporate Governance Code, best practice provision 4.2.1.

<sup>38</sup> Dutch Corporate Governance Code, best practice provision 4.1.3.

- (d) the distribution of dividend;
  - (e) resolutions to approve the management conducted by the Management Board (discharge of Management Board members from liability);
  - (f) resolutions to approve the supervision exercised by the Supervisory Board (discharge of Supervisory Board members from liability);
  - (g) each substantial change in the corporate governance structure of the Company and in the compliance with the Dutch Corporate Governance Code; and
  - (h) the appointment of the External Auditor.<sup>39</sup>
- 10.5 A proposal for approval or authorisation by the General Meeting of Shareholders shall be explained in writing. The Management 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.<sup>40</sup>
- 10.6 The Management Board members shall be present at the General Meeting of Shareholders, unless they are unable to attend for important reasons. Under certain circumstances, a Management Board member may attend the General Meeting of Shareholders through means of electronic communication.
- 10.7 The Company shall provide shareholders and others who have the right to vote at the General Meeting of Shareholders the possibility to issue, prior to the General Meeting of Shareholders, voting proxies or voting instructions to an independent third party.<sup>41</sup>
- 10.8 The Company shall formulate an outline policy on bilateral contacts with the shareholders.<sup>42</sup>
- 10.9 When a takeover bid for shares in the Company is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the Management Board shall ensure that the Supervisory Board is involved in the takeover process and/or the change in structure closely and in a timely fashion.<sup>43</sup>
- 10.10 If a takeover bid has been announced or made for shares in the Company and the Management Board receives a request from a third competing bidder for information regarding the Company, the Management Board shall discuss such request without delay with the Supervisory Board.<sup>44</sup>
- 10.11 If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the Management Board shall, as soon as possible, publicly announce its position on the bid and the reasons for this position.<sup>45</sup>

<sup>39</sup> Dutch Corporate Governance Code, best practice provision 4.1.3.

<sup>40</sup> Dutch Corporate Governance Code, best practice provision 4.1.4; see also Section 5:25ka(1)(c).

<sup>41</sup> Dutch Corporate Governance Code, best practice provision 4.3.2.

<sup>42</sup> Dutch Corporate Governance Code, best practice provision 4.2.2.

<sup>43</sup> Dutch Corporate Governance Code, best practice provision 2.8.1.

<sup>44</sup> Dutch Corporate Governance Code, best practice provision 2.8.2.

<sup>45</sup> Dutch Corporate Governance Code, best practice provision 2.8.3.

## **11. RELATION WITH THE AFM, ANALYSTS, THE FINANCIAL PRESS AND INSTITUTIONAL AND OTHER INVESTORS**

- 11.1 The Management Board is obliged to provide and to communicate the information disclosed in **Annex 5** to the AFM, with regard to the statutory and legal regulations applicable to the Company.
- 11.2 The contacts between the Management Board on the one hand and the press and financial analysts on the other shall be carefully handled and structured with due observance of the applicable statutory regulations and the Company shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa.<sup>46</sup>
- 11.3 Meetings with and presentations to analysts, presentations to (institutional) investors and press conferences shall be announced in advance on the Company's website and by means of press releases. Analysts' meetings and -presentations to investors shall not take place shortly before the publication of the regular financial information. Provisions shall be made for all shareholders to follow these meetings and presentations in real time, by means of webcasting, telephone or by other means.<sup>47</sup>

## **12. WEBSITE OF THE COMPANY**

The Management Board shall post and update all information relevant to the shareholders that the Company is required to publish or deposit pursuant to the applicable provisions of company law or securities law and regulation on a separate part of the Company's website and provides that the information on the website is accessible for at least one year.<sup>48</sup> A list of items that must be placed on the website is attached as **Annex 6**.<sup>49</sup>

## **CHAPTER III MEETINGS OF THE MANAGEMENT BOARD; DECISION-MAKING**

### **13. MEETINGS OF THE MANAGEMENT BOARD**

- 13.1 The Management Board shall in principle meet once a month, or more often as deemed desirable or required for a proper functioning of the Management Board by any one or more Management Board members. Meetings of the Management Board shall be called by the CEO or two members of the Management Board. Save in urgent cases, to be determined by the person calling the meeting, the agenda for the meeting shall be sent at least three calendar days before the meeting to all Management Board members. Whenever possible, an explanation in writing and/or other related documentation shall be attached for each item on the agenda.
- 13.2 Management Board meetings are being held at the office of the Company or anywhere else. Meetings of the Management Board can be held by means of conference call, video conference or other means of communication, provided that all the participants are able to see and hear each other.
- 13.3 Management Board meetings are chaired by the CEO. If the CEO is absent, one of the other Management Board members, designated by a majority of votes cast by the Management Board members present and represented at the meeting, presides over the meeting.

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<sup>46</sup> Dutch Corporate Governance Code, best practice provision 4.2.5.

<sup>47</sup> Dutch Corporate Governance Code, best practice provision 4.2.3.

<sup>48</sup> See also section 5:25m paragraph 3 Wft.

<sup>49</sup> Dutch Corporate Governance Code, best practice provision 4.2.4.

- 13.4 A Management Board member may be represented at meetings by another Management Board member holding a proxy in writing. The existence of such proxy must be proved satisfactorily to the CEO or, in his absence, to the Management Board members present at the meeting.
- 13.5 The admittance to the meeting of persons other than the Management Board members and the Company Secretary, if appointed, shall be decided by majority vote of the Management Board members present and represented at the meeting.
- 13.6 The chairman of the meeting shall be responsible for designating a person to draw up minutes of the meeting. The minutes shall provide insight into the decision-making process at the meeting. The minutes shall be adopted by the Management Board at the same meeting or the next meeting.

#### **14. DECISION-MAKING WITHIN THE MANAGEMENT BOARD**

- 14.1 The Management Board members shall endeavour to achieve that resolutions are as much as possible adopted unanimously.
- 14.2 Each Management Board member has the right to cast one vote.
- 14.3 Where unanimity cannot be reached and the law, the Articles of Association or these By-Laws do not prescribe a larger majority, all resolutions of the Management Board are adopted by an absolute majority of the votes cast. In the event of a tie, the CEO shall have the deciding vote, provided that the Management Board consists of more than two members. At a meeting, the Management Board may only pass resolutions if at least two-thirds of the Management Board members then in office are present or represented.
- 14.4 In general, resolutions of the Management Board are adopted at a Management Board meeting.
- 14.5 The Management Board shall not pass resolutions relating to the area of expertise of a particular Management Board member in the absence of that Management Board member.
- 14.6 Management Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Management 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 Management Board members. A statement from a Management 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.
- 14.7 The Management Board may deviate from the provisions of Clauses 14.3 (last sentence), 14.4, 14.5 and 14.6 if this is deemed necessary by the CEO, considering the urgent nature and other circumstances of the case, provided that all Management Board members are allowed the opportunity to participate in the decision-making process. The CEO and the Company Secretary, if appointed, shall then prepare a report on any resolution so adopted, that shall be added to the documents for the next meeting of the Management Board.
- 14.8 A resolution adopted by the Management Board may be evidenced outside the Company through a statement from the CEO and/or the Company Secretary, if appointed.
- 14.9 Pursuant to article 17.2 of the Articles of Association, the Supervisory Board is entitled to require resolutions of the Management Board to be subject to its approval. Such resolutions must be clearly specified and notified to the Management Board in writing. Reference is made to **Annex 7 Part A and Part B**.

## CHAPTER IV OTHER PROVISIONS

### 15. CONFLICTS OF INTERESTS OF MANAGEMENT BOARD MEMBERS

- 15.1 A Management Board member is alert to conflicts of interests and shall in any case not:
- (a) enter into competition with the Company;
  - (b) demand or accept (substantial) gifts from the Company 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 Company; or
  - (d) take advantage of business opportunities to which the Company 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.<sup>50</sup>
- 15.2 A conflict of interests may exist if the Company intends to enter into a transaction with a legal entity:
- (a) in which a Management Board member personally has a material financial interest; or
  - (b) which has a management board member or a supervisory board member who has a relationship under family law<sup>51</sup> with a Management Board member.<sup>52</sup>
- 15.3 A Management Board member shall without delay report any conflict of interests or potential conflict of interests in a transaction that is of material significance to the Company and/or to the member concerned, to the Chairman and to the other Management Board members and shall provide all relevant information, including information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage upon the second degree. The Supervisory Board shall decide, without the Management Board member concerned being present, whether there is a conflict of interests.<sup>53</sup>
- 15.4 A Management Board member shall not take part in any discussion and decision-making that involves a subject or transaction in relation to which he has a conflict of interests with the Company. If, as a result, no Management Board resolution can be adopted, the resolution will be adopted by the Supervisory Board.<sup>54</sup>
- 15.5 A Management 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 Management Board member, will insofar be regarded as a Management Board member who is unable to perform his duties (*belet*).
- 15.6 All transactions in which there are conflicts of interest with Management 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 Management Board members that are of material significance to the

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<sup>50</sup> Dutch Corporate Governance Code, best practice provision 2.7.1.

<sup>51</sup> A relation under family law exists between a child, his parents and their blood relatives (Section 1:197 Dutch Civil Code).

<sup>52</sup> Dutch Corporate Governance Code, best practice provision 2.7.3, first paragraph.

<sup>53</sup> Dutch Corporate Governance Code, best practice provision 2.7.3, second paragraph and third paragraph on the end.

<sup>54</sup> Section 2:129 paragraph 6 Dutch Civil Code.

Company and/or the relevant Management Board members require the approval of the Supervisory Board.<sup>55</sup>

## **16. INTERNAL INVESTIGATION**

A Management Board member is at all times obliged to cooperate fully with an investigation set up by the Company into signs of material misconduct and irregularities in the Company and the affiliated enterprise.<sup>56</sup>

## **17. REMUNERATION OF MANAGEMENT BOARD MEMBERS**

17.1 The remuneration policy applicable to Management Board members shall be clear and understandable, shall focus on long-term value creation, and take into account the internal pay ratios within the enterprise.<sup>57</sup>

17.2 The remuneration and contractual terms of employment of Management Board members are determined by the Supervisory Board in accordance with article 13.4 of the Articles of Association and Clause 11 of the By-Laws of the Supervisory Board, within the scope of the remuneration policy adopted by the General Meeting of Shareholders.<sup>58</sup>

17.3 When drafting the proposal for the remuneration of Management Board members, the Supervisory Board shall take note of individual Management Board members' views with regard to the amount and structure of their own remuneration.<sup>59</sup>

17.4 The Company and its Subsidiaries shall not grant personal loans, guarantees or the like to Management Board members except within the framework of its usual business operations, on conditions which apply to all employees and with the approval of the Supervisory Board. Loans are not remitted.<sup>60</sup>

17.5 Apart from their remuneration, Management Board members shall be reimbursed for all reasonable costs incurred with the consent of the CEO, or, with respect to the CEO, incurred with the consent of the Chairman of the Supervisory Board.

## **18. OTHER POSITIONS**

18.1 A Management Board member shall report any other position he may have to the Supervisory Board in advance, and at least annually these outside positions will be discussed in a Supervisory Board meeting. The acceptance of the position of a supervisory director by a Management Board member requires the approval of the Supervisory Board.<sup>61</sup>

18.2 A Management Board member may not hold more than two supervisory memberships of Dutch large companies or large foundations. A Management Board member may not concurrently serve as chairman of the supervisory board or one tier board of a large company or a large foundation.<sup>62</sup>

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<sup>55</sup> Dutch Corporate Governance Code, best practice provision 2.7.4.

<sup>56</sup> Dutch Corporate Governance Code, best practice provision 2.6.4. and Clause 8.1(c) of the by-laws of the Supervisory Board.

<sup>57</sup> Dutch Corporate Governance Code, Principle 3.1.

<sup>58</sup> Dutch Corporate Governance Code, Principle 3.2.

<sup>59</sup> Dutch Corporate Governance Code, best practice provision 3.2.2.

<sup>60</sup> Dutch Corporate Governance Code, best practice provision 2.7.6

<sup>61</sup> Dutch Corporate Governance Code, best practice provision 2.4.2.

<sup>62</sup> Section 2:132a of the Dutch Civil Code contains more detailed provisions in this regard.

18.3 Management Board members shall not without prior permission of the CEO (following consultation with the Chairman of the Supervisory Board) or, in the case of the CEO, prior permission of the Chairman of the Supervisory Board, accept:

- (a) any other remunerated employment position, including in an advisory or supervisory capacity; or
- (b) any non-remunerated employment position.

## **19. HOLDING AND TRADING SECURITIES**

19.1 Any shareholding by Management Board members is for the purpose of long-term investment.<sup>63</sup> If shares are awarded to a Management Board member, the shares shall be held for at least five years after they are awarded.<sup>64</sup> If share options are being awarded, the options cannot be exercised during the first three years after they are awarded.<sup>65</sup>

19.2 A member of the Management Board shall not own securities issued by entities other than the Company or carry out transactions in those securities, other than in accordance with the Regulations on Insider Trading. The provisions of the previous sentence shall not apply if a member of the Management Board holds the securities for investment in listed investment funds or, if investing in other funds, only if he has transferred the disposition of his securities portfolio to an independent third party by means of a written mandate.

19.3 Management Board members are bound to the Regulations on Insider Trading of the Company regarding (securities of) the Company and other securities referred to in these Regulations.

## **20. TRAINING & EDUCATION**

The Management Board conducts an annual review to identify any aspects with regard to which the members of the Management Board require training or education.<sup>66</sup>

## **21. CONFIDENTIALITY**

No Management Board member shall, during his membership of the Management 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 companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and the 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 Management Board member is allowed to disclose the above information to Management Board members and Supervisory Board members as well as to staff members of the Company and of companies in which the Company holds a stake, who, in view of their activities for the Company and/or companies in which the Company holds a stake, shall be informed of the information concerned. A Management Board member shall not in any way whatsoever utilise the information referred to above for his personal benefit.

## **22. MISCELLANEOUS**

22.1 **Acceptance by Management Board members.** Anyone who is appointed as a Management Board member must, upon assuming office, declare in writing to the Company that he accepts and agrees to

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<sup>63</sup> Dutch Corporate Governance Code 2009, Principle II.2; currently to deduce out of Principles 1.1 and 3.1.

<sup>64</sup> Dutch Corporate Governance Code, best practice provision 3.1.2(vi).

<sup>65</sup> Dutch Corporate Governance Code, best practice provision 3.1.2(vii).

<sup>66</sup> Dutch Corporate Governance Code, best practice provision 2.4.6.

the contents of these By-Laws and pledge to the Company that he will comply with the provisions of these By-Laws. These By-laws are also applicable to anyone who in the event of absence or inability to act of one or more Management Board members, has been appointed by the Supervisory Board to perform managerial duties.

- 22.2 **Occasional non-compliance.** The Management Board may occasionally decide not to comply with these By-Laws, with due observance of applicable laws and regulations and with the prior approval of the Supervisory Board.
- 22.3 **Amendment.** These By-Laws may be amended by the Management Board at any time and without any notification being made, subject only to prior Supervisory Board approval.
- 22.4 **Interpretation.** In the event of lack of clarity or difference of opinion on the interpretation of any provision of these By-Laws, the opinion of the Chairman of the Supervisory Board shall be decisive.
- 22.5 **Governing law and jurisdiction.** These By-Laws 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 By-Laws (including any dispute regarding the existence, validity or termination of these By-Laws).
- 22.6 **Complementarity to Dutch law and Articles of Association.** These By-Laws are complementary to the provisions governing the Management Board as contained in Dutch law, other applicable Dutch or EU regulations and the Articles of Association. Where these By-Laws are inconsistent with Dutch law, other applicable Dutch or EU regulations or the Articles of Association, the latter shall prevail. Where these By-Laws are consistent with the Articles of Association but inconsistent with Dutch law or other applicable Dutch or EU regulations, the latter shall prevail.
- 22.7 **Partial invalidity.** If one or more provisions of these By-Laws are or become invalid, this shall not affect the validity of the remaining provisions. The Management Board, subject to prior approval of 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 By-Laws is, to the greatest extent possible, similar to that of the invalid provisions.

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## ANNEX 1

### LIST OF DEFINITIONS

1. In these By-Laws, the following terms have the following meanings:

**Annual Accounts** means the annual accounts of the Company as referred to in Section 2:101 of the Dutch Civil Code.

**AFM** means the Authority for the Financial Markets (*Autoriteit Financiële Markten*).

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

**By-Laws** means the By-Laws of the Management Board or the By-Laws 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 Management Board of the Company.

**CFO** means the chief financial officer of the Company.

**Chairman of the Supervisory Board** means the chairman of the Supervisory Board.

**Company** means Alfen N.V., and, where appropriate, the Subsidiaries and possible other group companies of the Company, whose financial information is incorporated in the consolidated Annual Accounts.

**Company Secretary** means the company secretary of the Company, if appointed.

**Executive Committee** means the Executive Committee of the Company, if applicable.

**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 company** has the meaning attributed to it in Section 2:24b of the Dutch Civil Code.

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

**Independent Supervisory Director** means a member of the Supervisory Board who is independent within the meaning of Clause 1.5 of the By-laws of the Supervisory Board.

**Infestos Related Party** means:

- (i) Infestos Holding M B.V. and Alfen Holding B.V. and any of its group companies, other than the Company and its Subsidiaries (the **Infestos Group**);
- (ii) any investment vehicle or other entity which is either (a) managed by an entity in the Infestos Group or (b) used to allow Infestos Group's current and/or former employees to

participate directly or indirectly in the growth of the value of the Company (together the **Infestos Entities**); and

- (iii) any company, funds, partnership, investment vehicle or other entity in or through which one or more members of the Infestos Group or Infestos Entities separately or together can exercise significant influence.

**Interested Party** means the Related Party and:

- (i) in case the counterparty is a legal entity, any officer, employee, executive director or supervisory director of such counterparty; or
- (ii) in case the counterparty is a natural person, any relative of such counterparty,

that is also a member of the Supervisory Board or Management Board.

**Management Board** means the management board of the Company.

**Related Party** means the counterparty to the Company in the Related Party Transaction.

**Related Party Transaction** has the meaning given to in Clause 1.1 of the Related Party Transaction policy as included in Annex 3.

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

**Report of the Management Board** means the Report of the Management Board of the Company drawn up by the Management Board, as referred to in Section 2:101 of the Dutch Civil Code.

**Shares** means the issued shares (*geplaatst kapitaal*) in the share capital of the Company issued by the Company from time to time.

**Subsidiary** has the meaning attributed to it in Section 2:24a 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 of the By-Laws of the Supervisory Board.

**Transaction** means any kind of transaction, arrangement, legal proceeding or other kind of legal relationship, all in the broadest sense and whether or not a price is charged.

**Works Council** means the works council of the Company.

2. Save where the context dictates otherwise, in these By-Laws:

- (a) unless a different intention clearly appears, a reference to a Clause or Annex is a reference to a Clause or Annex of these By-Laws;
- (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 articles and other headings in these By-Laws are inserted for ease of reference and do not form part of these By-Laws for the purpose of interpretation.

## ANNEX 2

### ROTATION PLAN MANAGEMENT BOARD

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<b>Name</b>	<b>Position</b>	<b>First appointed</b>	<b>End of current term</b>
Mr M. (Marco) Roeleveld	CEO	November 2015	AGM 2022
Mr J. (Jeroen) van Rossen	CFO	August 2017	AGM 2022

## ANNEX 3

### RELATED PARTY TRANSACTION POLICY

The policy set out below was adopted by the Supervisory Board on 26 March 2018, after consultation with the Management Board.

#### 1. SCOPE AND DEFINITIONS

- 1.1 This policy implements best practices regarding Transactions between the Company and:
- (a) an Infestos Related Party as long as Infestos Holding M B.V. and/or Alfen Holding B.V. solely or jointly hold at least 10% of the Shares in the Company; or
  - (b) legal or natural persons who hold at least 10% of the Shares in the Company,
- provided that the transactions are of material significance to the Company and/or to such persons; each a “**Related Party Transaction**”.
- 1.2 This policy applies to each Related Party Transaction as well as any material amendment to an existing Related Party Transaction. This policy is complementary to the provisions of the Dutch Corporate Governance Code, applicable law and regulations, the articles of association of the Company, the Management Board Rules and the Supervisory Board Rules.
- 1.3 For the purpose of this policy a Transaction entered into by a Subsidiary of the Company shall be considered a Transaction entered into by the Company and a transaction entered into by a Subsidiary of a Related Party shall be considered a Transaction entered into by that Related Party.
- 1.4 The definitions as included in the introduction of this policy shall apply throughout this policy.

#### 2. PROCEDURE

- 2.1 No Related Party Transaction shall be undertaken without the approval of the Supervisory Board, which approval includes the affirmative vote of at least one Independent Supervisory Director.
- 2.2 Each member of the Management Board shall promptly notify the CEO of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of. The CEO shall in turn notify the Chairman of the Supervisory Board. The CEO shall notify the Chairman of the Supervisory Board directly in respect of any (potential) Related Party Transaction in respect of which he is an Interest Party or that he is otherwise aware of.
- 2.3 Each member of the Supervisory Board shall promptly notify the Chairman of the Supervisory Board of any (potential) Related Party Transaction in respect of which he is an Interested Party or that is otherwise aware of. If the Chairman of the Supervisory Board is an Interested Party to any (potential) Related Party Transaction or becomes otherwise aware of any (potential) Related Party Transaction, he shall promptly notify the Vice-Chairman of the Supervisory Board.
- 2.4 The Supervisory Board shall decide whether the Transaction concerned qualifies as a Related Party Transaction.
- 2.5 (Potential) Related Party Transactions shall be subject to review by the Supervisory Board.

- 2.6 Members of the Supervisory Board who qualify as Interested Party shall not participate in the discussion or decision making regarding the (potential) Related Party Transaction concerned.
- 2.7 The Supervisory Board shall review all relevant information available to it concerning the (potential) Related Party Transaction. The Supervisory Board may approve the Related Party Transaction only if it determines in good faith that the Related Party Transaction is fair as to the Company.
- 2.8 A Related Party Transaction that involves the delivery of goods or services shall only be approved if such Transaction is on terms that are customary for arm's-length Transactions.
- 2.9 Before approving the Related Party Transaction, the Supervisory Board shall review and consider:
- (i) the value of the Related Party Transaction;
  - (ii) whether the Related Party Transaction is undertaken in the ordinary course of business of the Company;
  - (iii) whether the proposed terms of the Related Party Transaction are no less favourable to the Company than terms that could have been reached with an unrelated third party;
  - (iv) the purpose of, and the potential benefits to the Company of the Related Party Transaction;
  - (v) the Interested Party's interest in the Related Party Transaction, if any;
  - (vi) the value (positive or negative) of the Interested Party's interest in the Related Party Transaction, if any;
  - (vii) required public disclosure, if any; and
  - (viii) any other information regarding the Related Party Transaction or the Interested Party in the context of the proposed Related Party Transaction that would be material to stakeholders of the Company in light of the circumstances of the Related Party Transaction.
- 2.10 In conducting its review, the Supervisory Board may obtain information from members of the Management Board, employees and external advisors of the Company.
- 2.11 If a Transaction has a recurring nature or the Company enters into Transactions with a certain Related Party on a regular basis, the Supervisory Board may establish further guidelines or procedures to follow in its review of such Transactions.
- 2.12 If a Related Party Transaction has not been approved under this policy prior to its consummation (nor been rejected at an earlier stage), the Supervisory Board shall consider all relevant facts and circumstances regarding the Related Party Transaction in accordance with Clauses 2.7 through 2.10 and shall on the basis thereof evaluate all options available to the Company, including ratification (*bekrachtiging*), revision (*wijziging*) or termination (*ontbinding*) of the Related Party Transaction. The Supervisory Board shall also examine the facts and circumstances pertaining to the failure of reporting of such Related Party Transaction under this policy and shall take any such action it deems appropriate.
- 2.13 The absence of the approval under this policy shall not affect the representative authority of the Management Board or its members.

### **3. DISCLOSURE**

Related Party Transactions shall be disclosed to the extent required under Dutch law, the Dutch Corporate Governance Code, applicable accounting standards or other applicable Dutch regulations. For the avoidance of doubt, the review or approval of a Transaction pursuant to this policy does not necessarily imply that such Transaction is required to be disclosed.

## ANNEX 4

### INFORMATION TO BE INCLUDED IN THE REPORT OF THE MANAGEMENT BOARD

In addition to the information which must be included pursuant to the provisions of Book 2 Dutch Civil Code, see also Sections 2:391 and 2:392 DCC, the following information must be included in the Report of the Management Board:

- 1.1.4 CG Code            A detailed explanation of the view of the Management Board on the long-term value creation, the strategy for its realisation and which contributions were made to the long-term value creation in the past financial year.<sup>67</sup>
- 1.4.2 CG Code            Accountability about (a) the execution of the risk assessment, with a description of the principal risks facing the Company in relationship to the risk appetite; (b) the design and operation of the internal risk management and control systems during the past financial year; (c) any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the Supervisory Board; and (d) the sensitivity of the results of the Company to material changes in external factors.<sup>68</sup>
- 1.4.3 CG Code            With clear substantiation that (a) the Report of the Management Board provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems; (b) the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; (c) based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and (d) the Report of the Management Board states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.
- 2.1.3 CG Code            If applicable, accountability about (a) the choice to work with an Executive Committee; (b) the role, duty and composition of the Executive Committee; and (c) how the contacts between the Supervisory Board and the Executive Committee have been given shape.<sup>69</sup>
- 2.5.5 CG Code            An explanation of the values and the way in which they are incorporated in the Company and its affiliated enterprise, and the effectiveness of, and compliance with, the code of conduct.<sup>70</sup>
- 2.7.4 CG Code            Publication of all transactions in which there are conflicts of interest with Management Board members or Supervisory Board members that are of material significance to the Company and/or to the relevant Management Board members or Supervisory Board members, with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3. and 2.7.4. have been complied with.<sup>71</sup>

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<sup>67</sup> Cf. By-laws Management Board, Clause 5.1.

<sup>68</sup> Cf. By-laws Management Board, Clause 5.3 and 5.4.

<sup>69</sup> Cf. By-laws Management Board, Clause 6.5(c).

<sup>70</sup> Cf. By-laws Management Board, Clause 4.4.

<sup>71</sup> Cf. By-laws Management Board, Clause 15.

2.7.5 CG Code	Publication of all transactions between the Company and legal or natural persons who holds at least 10% of the shares in the Company, which are of material significance for the Company and/or the legal or natural person, with a declaration that best practice provision 2.7.5. has been complied with. <sup>72</sup>
4.2.6 CG Code	A survey of all existing or potential anti-takeover measures and an indication of the circumstances in which and by whom these measures can be used.
CG Code <sup>73</sup>	In a separate chapter: the broad outline of the corporate governance structure of the Company, partly on the basis of the principles stated in the Dutch Corporate Governance Code and explicitly stating the extent to which it complies with the principles and best practice provisions stipulated in the Dutch Corporate Governance Code and, where it does not comply with them, why and to what extent it deviates from them. If the composition of the Management Board and/or the Supervisory Board diverges from the targets stipulated in the Company's diversity policy and/or the statutory target for the male/female ratio, if and to the extent that this is provided under or pursuant to the law, the current state of affairs shall be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved. <sup>74</sup>
2:391 par. 7 DCC	To the extent the seats on the Management Board or Supervisory Board are not divided in a balanced manner amongst men and women as referred to in Section 2:166 DCC, an explanation: (a) why the seats are not divided in a balanced manner, (b) what the Company has done to establish a balanced division, and (c) what the intentions of the Company are to establish a balanced division of seats in the future.
Management Report Decree	A corporate governance statement regarding: (a) compliance with the principles and best practice provisions of the Dutch Corporate Governance Code, (b) the most important characteristics of the management- and control system of the Company in respect of the process of financial reporting of the Company and the group of which the financials are consolidated, (c) the functioning of the General Meeting of Shareholders, its major powers and the shareholders' rights and the way they can be exercised, (d) the composition and functioning of the Management Board and Supervisory Board and its committees, if applicable, (e) the diversity policy with respect to the composition of the Management Board and the Supervisory Board (by which the Company describes the manner in which the diversity policy has been executed and the results thereof in the last financial year), and (f) the information referred to in Section 10(1)(c)(d)(f)(h) and (i) EU-Directive 2004/25 regarding public takeovers. <sup>75</sup>
Non-financial Information Decree	Notices regarding: (a) a brief description of the Company's business model, (b) a description of the policies pursued by the Company in relation to those matters, including due diligence processes implemented and the outcome of those policies regarding: (i) environmental, social and employee matters, (ii) respect for human rights and (iii) anti-corruption and anti-bribery matters, (c) the principal risks related to those matters referred to under (b) and linked to the Company's operations, (d)

<sup>72</sup> Cf. By-laws Management Board, Clause 4.7.

<sup>73</sup> See part of the Code 'Compliance with the Code' and Section 2 Management Report Decree (*Vaststellingsbesluit nadere voorschriften bestuursverslag*).

<sup>74</sup> Dutch Corporate Governance Code, best practice provision 2.1.6.

<sup>75</sup> See Section 2a(2) Management Report Decree. The corporate governance statement may form a part of the Report of the Management Board or an annex thereof, or a digitally accessible separate document to which the Report of the Management Board refers (Section 2(1) Management Report Decree).

the non-financial key performance indicators relevant to the particular business of the Company. Where the Company does not pursue policies in relation to those matters referred to under (b), the non-financial notice shall provide a clear and reasoned explanation for not doing so.<sup>76</sup>

A reference to the Management Board resolutions pursuant to Clauses 22.2 and 22.3 of these By-Laws, to the extent of material significance.

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<sup>76</sup> Section 3 Non-financial Information Decree, Stb. 2017, 100.

## ANNEX 5

### INFORMATION THAT MUST BE PROVIDED TO THE AFM<sup>77</sup>

2:393 paragraph 1 DCC	Announcement of the proposed appointment of the External Auditor for the audit on the Annual Accounts
2:393 paragraph 2 DCC	Announcement of the withdrawal of the instructions to audit the Annual Accounts by the Company or an early termination by the External Auditor
5:25o paragraph 1 FSA	Adopted Annual Accounts and the Report of the Management Board (within 5 days after the adoption)
5:25o paragraph 2 FSA	Announcement when the Annual Accounts have not been adopted within 6 months after the ending of the financial year
5:25m paragraph 6 FSA	Regulated information that will be generally available
5:48 paragraph 8 FSA	Resignation of a Management Board member or a Supervisory Board member <sup>78</sup>

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<sup>77</sup> This concerns information that must be given on a regular base by the Company to the AFM; this does not affect the FSA obligations regarding information to be provided in specific circumstances (such as price-sensitive information).

<sup>78</sup> Based upon the Dutch Corporate Governance Code, best practice provision 2.2.3, the Company should issue a press release when a Management Board or Supervisory Board member retires early, in which statement the reasons for departure are stated.

## ANNEX 6

### ITEMS TO BE PLACED ON THE COMPANY'S WEBSITE

2.1.1 CG Code	Supervisory Board Profile. <sup>79</sup>
2.2.4 CG Code	Supervisory Board Rotation Plan. <sup>80</sup>
2.3.1 CG Code	By-laws of the Supervisory Board. <sup>81</sup>
2.5.2 CG Code	A code of conduct. <sup>82</sup>
2.6.1 CG Code	Whistle-blower policy. <sup>83</sup>
Principle 3.4 CG Code	Remuneration Report of the Supervisory Board. <sup>84</sup>
3.4.2 CG Code	Main elements of the agreement of a Management Board member, after the agreement has been concluded and in any event no later than the date of the notice calling the General Meeting of Shareholders where the appointment of that Management Board member will be proposed.
4.1.4 CG Code	A proposal for approval or authorisation by the General Meeting of Shareholders shall be explained in writing. The Management 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. <sup>85</sup>
4.2.2 CG Code	An outline policy on bilateral contacts with shareholders. <sup>86</sup>
4.2.3 CG Code	Announcements prior meeting and presentations to analysts, presentations and (institutional) investors and press conferences. <sup>87</sup>
4.2.4 CG Code	The Company shall post and update information relevant to the shareholders and which it is required to publish or submit pursuant to the provisions of company law and securities law and regulation applicable to it, on a separate section of the Company's website. <sup>88</sup>
4.1.4 CG Code	Shareholder circulars drawn up by the Company. <sup>89</sup>
	By-Laws of the Management Board. <sup>90</sup>
	Rotation plan of the Management Board. <sup>91</sup>

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<sup>79</sup> By-laws Supervisory Board, Clause 1.1.

<sup>80</sup> By-laws Supervisory Board, Clause 2.6.

<sup>81</sup> By-laws Supervisory Board, Clause 0.3.

<sup>82</sup> By-laws Management Board, Clause 4.4(c).

<sup>83</sup> By-laws Management Board, Clause 4.6.

<sup>84</sup> By-laws Supervisory Board, Clause 11.3

<sup>85</sup> By-laws Management Board, Clause 10.5.

<sup>86</sup> By-laws Management Board, Clause 10.8.

<sup>87</sup> By-laws Management Board, Clause 11.3.

<sup>88</sup> By-laws Management Board, Clause 12.

<sup>89</sup> By-laws Management Board, Clause 10.5.

<sup>90</sup> By-laws Management Board, Clause 0.3.

<sup>91</sup> By-laws Management Board, Clause 1.5.

Resolutions of the General Meeting of Shareholders and (draft) reports of General Meetings of Shareholders.<sup>92</sup>

Regulations on Insider Trading of the Company.<sup>93</sup>

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<sup>92</sup> By-laws Supervisory Board, Clause 12.12.

<sup>93</sup> By-laws Supervisory Board, Clause 22.2.

## ANNEX 7

### LIST OF APPROVAL SUPERVISORY BOARD

#### PART A

The approval of the Supervisory Board is required for:

- (a) the allocation of duties of the Management Board to individual members of the Management Board;<sup>94</sup>
- (b) the establishment of an Executive Committee;
- (c) the appointment and dismissal of the senior internal auditor;<sup>95</sup>
- (d) the internal audit plan;<sup>96</sup>
- (e) entering into agreements, whereby the Company is granted credit by a bank;
- (f) lending and borrowing money, with the exception of acquiring money under a credit already granted to the Company by a bank;
- (g) direct or indirect participation in the capital of another company and changing the size of such a participation;
- (h) creating a right of pledge on property rights and moveable property, as well as the creating of a rights of pledge on shares in affiliated companies of the Company;
- (i) entering into agreements by which the Company binds itself as guarantor or as severally-liable co debtor, or otherwise guarantees or agrees to bind itself as security for a debt of a third party;
- (j) approving the annual budget;
- (k) being a party to legal proceedings, including conducting arbitration proceedings, with the exception of taking legal measures that cannot be delayed;
- (l) all other acts that require the approval by legislation, the Articles of Association, the By-Laws of the Management Board, the By-Laws of the Supervisory Board, the Dutch Corporate Governance Code or any other applicable legislation; and
- (m) entering into legal acts that do not fall under the scope of one of the items mentioned in this Annex 7, but which exceed the annual maximum amount determined by the Supervisory Board and notified to the Management Board in writing.

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<sup>94</sup> Management Board By-Laws, Clause 1.8.

<sup>95</sup> Management Board By-Laws, Clause 6.2.

<sup>96</sup> Management Board By-Laws, Clause 6.5.

## **PART B**

The approval of the Supervisory Board is required for the following resolutions, which approval shall include the vote of the Independent Supervisory Director:

- (n) all Related Party Transactions;
- (o) all transactions in which there are conflicts of interest with Management Board members that are of material significance to the Company and/or the relevant Management Board members;<sup>97</sup>
- (p) all transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or the relevant Supervisory Board members;<sup>98</sup>
- (q) grant approval to granting of personal loans, guarantees or the like to Management Board members or Supervisory Board members;
- (r) grant approval to resolution of the Management Board to issue and acquisition of Shares and debentures at the expense of the Company or of debentures at the expense of a limited partnership or general partnership in respect of which the Company is a partner with full liability;
- (s) grant approval to resolution of the Management Board to issue depositary receipts for Shares;
- (t) grant approval to proposal of the Management Board to reduce the Company's issued capital;
- (u) grant approval to resolution of the Management Board to enter into or terminate a long term cooperation of the Company or a Group Company with another legal entity or company or, as a partner with full liability, in a limited partnership or general partnership if such cooperation or termination is of fundamental importance for the Company;
- (v) grant approval to resolution of the Management Board to participate by the Company or a Group Company in the capital of another company if the value of such participation is at least one quarter of the amount of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes, as well as significantly increasing or reducing such participation;
- (w) grant approval to resolutions of the Management Board to investments or divestments requiring an amount equal to at least one quarter of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes;
- (x) establishing pension plans and granting pension rights in excess of those arising from existing arrangements;
- (y) grant approval to resolution of the Management Board to terminate the employment of a considerable number of employees of the Company or of a Group Company simultaneously or within a short period of time;
- (z) grant approval to resolution of the Management Board to radically change the employment conditions of a considerable number of the employees of the Company or of a Group Company;
- (aa) granting bonuses to employees which exceeds the annual maximum amount determined by the Supervisory Board and notified to the Management Board in writing;

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<sup>97</sup> Management Board By-Laws, Clause 15.6.

<sup>98</sup> Supervisory Board By-Laws, Clause 18.6.

- (bb) entering into and changing employment or management agreements, whereby remuneration is granted, which exceeds the annual maximum amount determined by the Supervisory Board and notified to the Management Board in writing;
- (cc) grant approval to proposal of the Management Board to amend the articles of association of the Company;
- (dd) grant approval to resolution of the Management Board to file for petition for bankruptcy or a request for suspension of payments (*surseance van betaling*); and
- (ee) grant approval to proposal of the Management Board to dissolve the Company.