

# GrandVision NV

## Supervisory Board Rules

---

February 5, 2015

<b>Contents</b>	<b>Page</b>
1 STATUS AND CONTENTS OF THE RULES.....	3
2 DEFINITIONS.....	3
3 RESPONSIBILITIES OF THE SUPERVISORY BOARD.....	6
4 COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE SUPERVISORY BOARD.....	7
5 CHAIRMAN AND VICE-CHAIRMAN OF THE SUPERVISORY BOARD.....	10
6 COMPANY SECRETARY.....	11
7 THE COMMITTEES OF THE SUPERVISORY BOARD.....	11
8 (RE)APPOINTMENT, TERM, RESIGNATION AND LIMITATION OF POSITIONS.....	12
9 INTRODUCTION PROGRAM, ONGOING TRAINING AND EDUCATION.....	13
10 REMUNERATION.....	13
11 SUPERVISORY BOARD MEETINGS (AGENDA, TELECONFERENCING, ATTENDANCE, MINUTES) AND RESOLUTIONS .....	14
12 SUPERVISORY BOARD RESOLUTIONS (QUORUM, VOTES, ITEMS TO BE CONSIDERED).....	15
13 CONFLICTS OF INTEREST .....	16
14 PREVENTED FROM ACTING OR VACANCY.....	18
15 RELATIONSHIP WITH THE MANAGEMENT BOARD; INFORMATION.....	18
16 RELATIONSHIP WITH THE SHAREHOLDERS; INFORMATION .....	18
17 RELATIONSHIP WITH THE WORKS COUNCIL .....	19
18 CONFIDENTIALITY .....	20
19 ONE-OFF RENDERING THE RULES INOPERATIVE, AMENDMENTS.....	20
20 GOVERNING LAW AND JURISDICTION.....	20

**RULES GOVERNING THE PRINCIPLES AND BEST PRACTICES OF  
THE SUPERVISORY BOARD OF GRANDVISION N.V.**

These rules (the "**Rules**") were adopted by the Supervisory Board (the "**Supervisory Board**") of GrandVision N.V. (the "**Company**") on 14 October 2014 and effective per February 5, 2015.

**1 STATUS AND CONTENTS OF THE RULES**

- 1.1** The Rules are issued pursuant to article 7.8.2 of the Company's articles of association (as these may read from time to time, the "**Articles of Association**") and are complementary to the rules and regulations from time to time applicable to the Supervisory Board under Dutch law or the Articles of Association. The Rules may only be amended pursuant to a resolution of the Supervisory Board whereby such amendment is approved. The Rules must be read together with the Management Board Rules, the contents of which are included in the Rules by reference.
- 1.2** Where the Rules are inconsistent with Dutch law or the Articles of Association, the latter shall prevail. Where the Rules conform to the Articles of Association but are inconsistent with Dutch law, the latter shall prevail. If one or more provisions of the Rules are or become invalid, this will not affect the validity of the remaining provisions. The Supervisory Board shall replace the invalid provisions by those which are valid and the effect of which, given the contents and purpose of the Rules is, to the greatest extent possible, similar to that of the invalid provisions.
- 1.3** The Rules have been drawn up in accordance with the Code, subject to any deviations provided for in the comply-or-explain statement of the Company. Amongst other things, the Code formulates a number of best practices for the Supervisory Board and its committees.
- 1.4** In its resolution adopted on 14 October 2014, the Supervisory Board unanimously declared that:
- (a) it will comply with, and be bound by the obligations arising from, the Rules to the extent that they apply to the Supervisory Board and the Supervisory Directors; and
  - (b) upon appointment new Supervisory Directors will automatically be bound by the Rules.

**2 DEFINITIONS**

In the Rules, the following terms have the meaning as defined below:

<b>Annual Accounts</b>	the annual accounts of the Company as referred to in section 2:361 of the Dutch Civil Code;
<b>Annual Budget</b>	the consolidated operational and capital budget of the Company and Group Companies for the following year;
<b>Annual Report</b>	the annual report of the Company drawn up by the Management Board as referred to in section 2:391 BW;
<b>Articles of Association</b>	the articles of association of the Company;
<b>Audit Committee</b>	the committee of the Supervisory Board which supervises the activities of the Management Board;
<b>Audit Committee Rules</b>	the rules governing the Audit Committee;
<b>Auditor</b>	registered external accountant of the Company;
<b>BW</b>	the Dutch Civil Code;
<b>Chairman</b>	the chairman of the Supervisory Board;
<b>Code</b>	the Dutch Corporate Governance Code as adopted by the Corporate Governance Code Monitoring Committee on 10 December 2008 and in effect as of 1 January 2009;
<b>Company</b>	the limited liability company, GrandVision N.V.;
<b>Company Secretary</b>	a person acting as secretary of the Company pursuant to article 6;
<b>Financial Statements</b>	the Annual Accounts and other periodical financial statements of the Company;
<b>General Meeting</b>	the general meeting of the Company;
<b>Group</b>	the group as referred to in section 2:24b BW, of which the Company is the parent company, therefore excluding companies which hold an interest in the Company and group companies of those companies;

<b>Group Company</b>	a company that belongs to the Group, other than the Company itself;
<b>Insider Rules</b>	rules related to investments and inside knowledge as adopted by the Management Board;
<b>Management Board</b>	the management board ( <i>statutaire directie</i> ) of the Company;
<b>Management Board Rules</b>	the rules of the Management Board;
<b>Managing Directors</b>	the directors of the Management Board;
<b>Remuneration Committee</b>	the committee of the Supervisory Board which makes the proposals for the remuneration policy and prepares the remuneration report;
<b>Remuneration Committee Rules</b>	rules governing the Remuneration Committee of the Supervisory Board
<b>Nomination Committee</b>	the committee of the Supervisory Board which supervises the appointment procedure for Managing Directors and Supervisory Directors
<b>Nomination Committee Rules</b>	rules governing the Nomination Committee of the Supervisory Board;
<b>Supervisory Board</b>	the supervisory board of the Company;
<b>Supervisory Directors</b>	the directors of the Supervisory Board;
<b>Three Year Strategy Plan</b>	the three-year strategy plan for the Company and the Group Companies;
<b>Vice-Chairman</b>	the vice-chairman of the Supervisory Board; and
<b>Whistleblower Rules</b>	rules including arrangements for employees for reporting alleged irregularities of a general, operational and financial nature with the Company as adopted by the Management Board.

### **3 RESPONSIBILITIES OF THE SUPERVISORY BOARD**

**3.1** The Supervisory Directors will be collectively responsible for supervising the Company's management, advising the Management Board in the performance of its duties, the general affairs of the Company's business and the general affairs of the Group Companies. In doing so the Supervisory Board strives for the creation of shareholders value in the long term.

**3.2** In discharging its duties, the Supervisory Board shall be guided by the interests of the Company and the Group Companies. The Supervisory Board shall take into account the relevant interests of all those involved with the Company and the Group (including the Company's shareholders). The Supervisory Board will also observe those aspects of corporate social responsibility that are relevant to the Group. The Supervisory Board is responsible for the quality of its own performance.

**3.3** The responsibilities of the Supervisory Board shall include:

- (a) supervising and monitoring (whether or not beforehand) and advising the Management Board on (i) the achievement of the Company's objectives, (ii) the Company's strategy and risks inherent to its business activities, (iii) the structure and management of the internal risk management and control systems, (iv) the financial reporting process, (v) the application of information and communication technology (ICT), (vi) compliance with legislation and regulations, (vii) the relationship with shareholders, (viii) a takeover process if a takeover bid for the shares in the Company is being prepared or has been issued and (ix) the aspects of corporate social responsibility that are relevant to the enterprise. The Supervisory Board may initiate or give such advice at any time as it deems appropriate;
- (b) disclosing, complying with and enforcing the Company's corporate governance structure;
- (c) the supervision of compliance of the preparation and publication of the Annual Accounts with the Company's internal procedures and approving the Annual Budgets, Three Year Strategy Plans and major capital expenditures;
- (d) selecting and nominating the Auditor;
- (e) selecting and nominating Managing Directors, proposing the remuneration policy for Managing Directors, such policy to be adopted by the General Meeting, fixing and clawing back the remuneration (in accordance with the said remuneration policy) and contractual terms and conditions of employment of Managing Directors;

- (f) nominating the Supervisory Directors to be appointed by the General Meeting subject to the designation by the General Meeting of one of the Supervisory Directors as Chairman and one as Vice-Chairman;
  - (g) evaluating and assessing the functioning of the Management Board and the Supervisory Board as well as the individual Supervisory Directors, including the evaluation of the Supervisory Board's profile and the introduction, education and training program (see articles 4 and 8);
  - (h) handling and deciding on reported (potential) conflicts of interests within the meaning of article 13; and
  - (i) handling and deciding on reports by employees of the Company under the Whistleblower Rules, if the Rules provide that employees should report such irregularities to the Chairman.
- 3.4** The Supervisory Board shall prepare and publish a report, for inclusion in the Annual Report, on the functioning and activities of the Supervisory Board and its core committees during the preceding financial year.
- 4 COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE SUPERVISORY BOARD**
- 4.1** The General Meeting will determine the number of Supervisory Directors. The Supervisory Board shall prepare a profile of its scope and composition, taking into account the nature of the business of the Company, its activities, and the desired expertise, experience and independence of the Supervisory Directors. The Supervisory Board shall evaluate the profile annually. The profile must be made generally available and be published on the Company's website.
- 4.2** The composition of the Supervisory Board must be such that the combined experience, expertise and independence of the Supervisory Directors meet the profile and enables the Supervisory Board in the best way to carry out the variety of its responsibilities and duties to the Company and all others involved with the Company (including its shareholders), in accordance with applicable law and regulations (including the rules of any exchange on which the Company's shares may be listed).
- 4.3** In composing the Supervisory Board, the following requirements must be observed:
- (a) each Supervisory Director must be capable of assessing the broad outlines of the overall policy of the Company;

- (b) each Supervisory Director must fit in the profile and by way of all memberships to the Supervisory Board (upon (re-)appointment and thereafter), the Supervisory Board as a whole must be composed in accordance with article 4.2;
  - (c) each Supervisory Director, with the exception of no more than one person, must be independent within the meaning of article 4.4;
  - (d) none of the Supervisory Directors may be appointed after the third period of four years or after the twelfth year in function, except if the General Meeting in accordance with article 8.1 decides otherwise;
  - (e) with due observance of the law regarding the limitation of positions in connection with the appointment, none of the Supervisory Directors may hold more than five supervisory board or non-executive director positions in Dutch listed companies (including the Company); in this connection a chairmanship of such a supervisory board counts twice;
  - (f) the Chairman may not be a former Managing Director;
  - (g) at least one Supervisory Director shall be a financial expert with relevant knowledge and experience of financial administration and accounting for listed companies or other large entities;
- 4.4** Any Supervisory Director will not be considered independent if he/she or his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under law:
- (a) has been an employee of the Company or a Managing Director (including of associated companies as referred to in section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht; Wft*) in the five years prior to his appointment;
  - (b) receives personal financial compensation from the Company or a company affiliated with the Company other than the compensation received for the work performed as a Supervisory Director and in so far as this is not fitting in with the ordinary course of business;
  - (c) has had an important business relationship with the Company or a company affiliated with the Company in the year prior to his/her appointment. This will in any event include the situation where a Supervisory Director, or the firm of which he is a shareholder, partner, associate or advisor, has acted as advisor to the Company (consultant, Auditor, civil notary and lawyer) and the situation where a Supervisory



Director is a managing director or an employee of any bank with which the Company has a lasting and significant relationship;

- (d) is a member of the executive board of a company, of which a Managing Director is a Supervisory Director (cross-ties);
- (e) holds at least ten percent of the shares in the Company (including the shares held by natural persons or legal entities that cooperate with him under a legal, tacit, oral or written agreement);
- (f) is a member of the executive board or supervisory board - or is a representative in some other way - of a legal entity that holds at least ten percent of the shares in the Company, unless such entity is a member of the Group;
- (g) has temporarily managed the Company during the preceding twelve months as a result of any Managing Director being absent or unable to discharge his/her duties. The Supervisory Director that temporarily takes up management responsibilities in the event of any Managing Director being absent or unable to discharge his/her duties steps down from the Supervisory Board in order to take up the management responsibilities.

In the Supervisory Board's report, as included in the Annual Report, the Supervisory Board shall declare that in his view article III.2.2 of the Code has been fulfilled. The Supervisory Board shall also indicate which Supervisory Directors he considers to be not independent (if any).

**4.5** The Supervisory Board may appoint one or more Supervisory Directors as "delegated" Supervisory Directors. Delegated Supervisory Directors are Supervisory Directors with a special task. The delegated authority may not exceed the duties of the Supervisory Director himself and does therefore not include managing the Company; the delegated authority entails more intensive supervision and advice and more frequent consultation with the Management Board. The delegation shall be of a temporary nature only. The delegation may not detract from the function and powers of the Supervisory Board. Delegated Supervisory Directors remain members of the Supervisory Board.

**4.6** Each Supervisory Director shall be required to submit to the Chairman all information as is necessary to record or update, as the case may be, his/her:

- (a) gender;
- (b) age;

- (c) profession;
- (d) principal position;
- (e) nationality;
- (f) other positions: as far as relevant to the duties as a Supervisory Director;
- (g) date of initial appointment;
- (h) current term in office.

The Chairman shall procure that such information is published in the Supervisory Board's report, as included in the Annual Report, or otherwise elsewhere in the Annual Report.

## **5 CHAIRMAN AND VICE-CHAIRMAN OF THE SUPERVISORY BOARD**

**5.1** The General Meeting shall designate one of the Supervisory Directors as Chairman, taking into account the provision of article 4.3 sub (f) of the Rules, as well as one of the Supervisory Directors as Vice-Chairman. The Chairman determines the agenda for and chairs the meetings of the Supervisory Board, monitors the proper functioning of the Supervisory Board and its committees, arranges for the adequate submission of information to the Supervisory Directors, ensures that there is sufficient time for decision taking, arranges for the induction, education and training program for Supervisory Directors, acts on behalf of the Supervisory Board as main contact for the Management Board, initiates the evaluation of the functioning of the Supervisory Board and that of the Management Board, and as Chairman ensures the orderly and efficient conduct of the General Meeting.

**5.2** The Chairman shall ensure that:

- (a) Supervisory Directors follow their introduction, education and training program;
- (b) adequate and timely submission of information to the Supervisory Directors is made as necessary for the proper performance of their duties;
- (c) there is sufficient time for consultation, consideration and decision-taking by the Supervisory Board;
- (d) adequate performance of the committees of the Supervisory Board is steered, and procured;

- (e) the functioning of the Managing Directors and the Supervisory Directors is annually evaluated and assessed;
- (f) reported (potential) conflicts of interests within the meaning of article 13 of the Rules are received, and decided on;
- (g) reports by employees of the Company under the Whistleblower Rules, if the Rules provide that employees should report such irregularities to the Chairman, are received and decided on; and
- (h) the chairman of the General Meeting is responsible for maintaining good order during the meeting in order to facilitate a meaningful discussion.

**5.3** The Vice-Chairman will replace the Chairman when appropriate. Supplementary to best practice provision III 1.7 of the Code, the Vice-Chairman acts as the point of contact for individual Supervisory Directors and Managing Directors regarding the performance of the Chairman.

## **6 COMPANY SECRETARY**

The Supervisory Board will be assisted by a company secretary, who will be appointed and by the Supervisory Board, upon the non-binding nomination of the Management Board (the "**Company Secretary**"). The Supervisory Board may at all times dismiss the Company Secretary subject to the prior approval of the Management Board. The Company Secretary shall be primarily responsible for:

- (a) compliance of the Supervisory Board's functioning with Dutch law, the Articles of Association and the rules and regulations issued pursuant thereto (including the Code and the Rules);
- (b) assisting the Chairman in effectively organizing the Supervisory Board and its meetings (amongst other information, agenda, evaluation and training programs).

## **7 THE COMMITTEES OF THE SUPERVISORY BOARD**

**7.1** The Supervisory Board shall have three core committees, i.e., the Audit Committee, the Remuneration Committee and the Nomination Committee, the members of which must be appointed by the Supervisory Board from among the Supervisory Directors. The entire Supervisory Board continues to be responsible for its decisions also if these are prepared by one of the Supervisory Board's committees. No more than one member of each committee may not be independent as referred to in article 4 of the Rules.

- 7.2 The Supervisory Board shall prepare rules governing each of the respective committee's principles and best practices (amongst others responsibilities, composition and meetings) and publish them, along with the composition of the members of the committees, on the Company's website.
- 7.3 The composition of the committees, the number of committee meetings and the main items to be discussed at these meetings must be recorded in the Supervisory Board's report, as included in the Annual Report.
- 7.4 If one or more of the committees as referred to in article 7.1 is not instituted or ceases to exist, its respective principles and best practices will apply *mutatis mutandis* to the Supervisory Board itself.
- 7.5 Each of the committees shall annually submit a report of its deliberations and findings to the Supervisory Board.

## **8 (RE)APPOINTMENT, TERM, RESIGNATION AND LIMITATION OF POSITIONS**

- 8.1 The Supervisory Directors will be appointed by the General Meeting upon a non-binding nomination of the Supervisory Board and the General Meeting will designate one of the Supervisory Directors as Chairman and one as Vice-Chairman. The non-binding nomination for appointment shall state the reason for it. On reappointment, the manner in which the candidate fulfilled his duties as Supervisory Director shall be taken into account. Any Supervisory Director will hold office for a maximum period of four years and will thereafter be eligible for reappointment, provided that no Supervisory Director shall hold office for more than three four-year terms or twelve years, which period may or may not be interrupted, except if the General Meeting resolves otherwise.
- 8.2 The Supervisory Board shall prepare a resignation schedule to prevent, to the largest extent possible, reappointments occurring simultaneously. Without prejudice to article 8.3, Supervisory Directors shall resign in accordance with the resignation schedule.
- 8.3 Each Supervisory Director shall retire early in the event of inadequate performance, structural incompatibility of interests, and other instances where retirement is deemed necessary at the discretion of the Supervisory Board.
- 8.4 Any Supervisory Director who temporarily takes on the management of the Company if and when the Managing Directors are absent or unable to discharge their duties, shall for that purpose step down from the Supervisory Board.
- 8.5 With due observance of the law regarding the limitation of positions in connection with the appointment, a Supervisory Director shall not hold more than five supervisory board or

non-executive director positions at other Dutch listed companies. In this connection, a chairmanship of such a supervisory board counts twice.

## **9 INTRODUCTION PROGRAM, ONGOING TRAINING AND EDUCATION**

**9.1** Once appointed, each Supervisory Director shall follow an introduction, education and training program addressing;

- (a) general financial and legal affairs;
- (b) financial reporting by the Company;
- (c) specific aspects unique to the Company and its business activities;
- (d) responsibilities of Supervisory Directors.

**9.2** Each year the Supervisory Board shall evaluate the introduction, education and training program to identify any other specific aspects in respect of which further training and education is required.

## **10 REMUNERATION**

**10.1** The Supervisory Board shall from time to time submit proposals to the General Meeting in respect of the remuneration to be paid to the Chairman and the other Supervisory Directors. The remuneration of any Supervisory Director may not be made dependent on the Company's results. Supervisory Directors will be reimbursed for their expenses. However, costs made in connection with attending meetings or visiting activities abroad may be charged to the Company separately. If a Supervisory Director is required to charge VAT on the relevant amount, the Company shall pay the VAT amount.

**10.2** None of the Supervisory Directors may receive securities issued by the Company as part of his/her remuneration. Any shares held by a Supervisory Director in the Company on whose board he sits are long-term investments and in accordance with the Insider Rules.

**10.3** None of the Supervisory Directors may accept personal loans, guarantees or any similar instrument from the Company, other than in the ordinary course of business and with the approval of the Supervisory Board. Such loans shall not be cancelled (*kwijtgesholden*).

**10.4** None of the Supervisory Directors shall undertake transactions in respect of securities issued by other entities than by the Company other than in accordance with the Insider Rules. The provisions of the previous sentence shall not apply if a Supervisory Director is holding the securities for investment in listed investment funds or, if investing in other

funds, only if he has transferred the disposition of his/her securities portfolio to an independent third party by means of a written mandate.

**10.5** The remuneration, reimbursement of expenses and other agreed terms and conditions, including the date as of which these payments will be made, will be determined by the General Meeting and be agreed in writing between the Company and each individual Supervisory Director.

**10.6** The notes to the Annual Accounts must in any event contain the information prescribed by law as to the size and structure of the remuneration of individual Supervisory Directors.

**11 SUPERVISORY BOARD MEETINGS (AGENDA, TELECONFERENCING, ATTENDANCE, MINUTES) AND RESOLUTIONS**

**11.1** The Supervisory Board shall hold at least five meetings per year and meet whenever one or more of the Supervisory Directors or Managing Directors request a meeting. Supervisory Board meetings are generally held at the offices of the Company, but may also take place elsewhere.

In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.

**11.2** Any Supervisory Director who is frequently absent during meetings of the Supervisory Board will be asked by the Chairman to explain his/her absence. Frequent absences will be reported in the Supervisory Board's report, as included in the Annual Report.

**11.3** Unless the Supervisory Board decides otherwise, one or more Managing Directors shall attend meetings of the Supervisory Board, save for meetings concerning:

- (a) the evaluation of the functioning of the Management Board and its individual Managing Directors, and the conclusions to be drawn from the evaluation;
- (b) the evaluation of the functioning of the Supervisory Board and its individual Supervisory Directors, and the conclusions to be drawn from the evaluation;
- (c) the desired profile, composition and competence of the Supervisory Board;
- (d) the (potential) conflicts of interests of Managing Directors within the meaning of article 13.

The Auditor shall attend each Supervisory Board meeting at which the examination, adoption and, if applicable, the supervision of compliance of the preparation and publication of the Annual Accounts with the Company's internal procedures is discussed.

**11.4** Meetings will be convened by the Company Secretary on behalf of the Supervisory Directors requesting the meeting. Any Supervisory Director may put items on the agenda by giving notice thereof to the Chairman and the Company Secretary. Where practicable, notices convening a meeting, the agenda and memoranda on items to be considered and discussed at the meeting will be dispatched at least one week prior to the meeting to each Supervisory Director and each Managing Director. However, lack of notice or short notice does not constitute an impediment for valid decision making.

**11.5** Minutes of the Supervisory Board meeting will be prepared by the secretary of the meeting (generally, the Company Secretary). These minutes will generally be adopted at the next Supervisory Board meeting. If all Supervisory Directors agree on the contents of the minutes, the minutes may be adopted earlier. The minutes must be signed for adoption by the Chairman and be sent to all Supervisory Directors as soon as practicably possible. The Company Secretary may sign and issue extracts of the adopted minutes.

**12 SUPERVISORY BOARD RESOLUTIONS (QUORUM, VOTES, ITEMS TO BE CONSIDERED)**

**12.1** Subject to the provisions of article 12.2, the Supervisory Board can only adopt resolutions in a meeting at which at least the majority of the Supervisory Directors is present or represented, provided that any Supervisory Director with a conflict of interest as referred to in article 13, is not taken into account when establishing this quorum.

**12.2** The Supervisory Directors shall endeavor to achieve that resolutions are as much as possible adopted unanimously. Where unanimity cannot be reached and the law, the Articles of Association or the Rules do not prescribe a larger majority, resolutions of the Supervisory Board are adopted if the absolute majority of the Supervisory Directors entitled to vote - including the Chairman and Vice-Chairman entitled to vote - has voted in favour of the resolution. If as result of a conflict of interest as referred to in article 13, either or both the Chairman and Vice-Chairman are not entitled to vote, the resolution of the Supervisory Board will be adopted by unanimous votes cast by the Supervisory Directors entitled to vote. In a tie vote, the resolution will have been rejected.

The Supervisory Board may also adopt resolutions outside a meeting, with due observance of articles 12.1 and 12.2. The Chairman shall prepare and sign a report of the resolution adopted in this manner, enclosing any written replies received. The adoption of resolutions outside a meeting must be reported at the subsequent regular meeting.

**12.3** The ongoing items to be considered and discussed at Supervisory Board meetings include reviewing the Annual Budget, Financial Statements and Company's financial results, decisions requiring Supervisory Board approval, approving corporate strategy (and changes to the strategy) capital expenditures not reflected in the Company's Annual

Budget, long-term capital structures, new lines of business, major acquisitions and divestments as well as receiving and commenting on reports from the Supervisory Board's committees.

**12.4** At least once a year, the Supervisory Board shall discuss:

- (a) the functioning of the Supervisory Board and the individual Supervisory Directors, and the conclusions to be drawn on the basis of this discussion;
- (b) the desired profile, composition and competence of the Supervisory Board;
- (c) the functioning of the Management Board and the individual Managing Directors and the conclusions to be drawn on the basis of this discussion;
- (d) the evaluation of the introduction, education and training program as referred to in article 9;
- (e) the corporate strategy, the risks of the business and the result of the evaluation by the Management Board of the structure and operation of the internal risk management and control systems, as well as any significant changes to these systems.

The report of the Supervisory Board, as included in the Annual Report, will refer to the fact that the discussions as meant in this article 12.4 were held.

### **13 CONFLICTS OF INTEREST**

**13.1** A Supervisory Director shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which it has been established in accordance with articles 13.2 and 13.3 that he has a direct or indirect personal conflict of interest with the Company or another conflict of interest with the Company which entails that he shall not take part in any discussion or decision-making regarding that subject.

**13.2** Each Supervisory Director (other than the Chairman) shall immediately report any (potential) conflict of interest concerning a Supervisory Director to the Chairman. The Supervisory Director with such (potential) conflict must provide the Chairman with all information relevant to the conflict. In case the Chairman has a (potential) conflict of interest he shall immediately report such potential conflict to the Vice-Chairman. The Chairman shall provide the Vice-Chairman with all information relevant to the (potential) conflict. If both the Chairman and the Vice-Chairman have a (potential) conflict with respect to the same matter, they will report and provide information to one of the other Supervisory Directors.



The Supervisory Board will, without the presence of the Supervisory Director concerned, determine whether a reported (potential) conflict of interest qualifies as a conflict of interest as meant in article 13.1 which ruling will be made in accordance with the provisions of articles 12.1 and 12.2. Before taking such decision, the Supervisory Board will hear the relevant Supervisory Director after having shared all relevant information with the Supervisory Director, to the extent necessary.

- 13.3** A (potential) conflict of interest in respect of a Supervisory Director is deemed to exist if:
- (a) he/she has a material personal financial interest in an entity that the Company intends to enter into a transaction with, which transaction is of material significance for him/her or the Company;
  - (b) he/she has a family law relationship (*familierechtelijke verhouding*) with a managing director of an entity that the Company intends to enter into a transaction with, which transaction is of material significance for the Supervisory Director concerned, the Company, that managing director or that entity concerned; and
  - (c) he/she holds a management or supervisory position in an entity that the Company intends to enter into a transaction with, which transaction is of material significance for him/her or the Company.

However, the Supervisory Board may determine that any of the above mentioned situations does not constitute a conflict of interest to which article 13.1 applies if other circumstances in its opinion so entail.

- 13.4** A conflict of interest in respect of the Auditor will in any event exist if:
- (a) there is a situation as referred to in sections 23 and 24 of the Accounting Organisations (Supervision) Act (*Wet toezicht accountantsorganisaties*);
  - (b) the non-audit activities (other than referred to in sub a) for the Company of the Auditor and the Auditor's firm (including in any case marketing, advice on (management) consultancy or information technology) compromise the independence of the Auditor with respect to its (supervision of) financial reporting;
  - (c) the responsible partner in the Auditor's firm and the Auditor's firm itself have been in charge of the audit activities for the Company during a continuous period, as referred to in the applicable law without rotation;
  - (d) under applicable law, including the rules of any exchange on which the Company's shares are listed, such conflict of interests exists or is deemed to exist; and

- (e) the Supervisory Board at its sole discretion has ruled that such conflict of interest exists or is deemed to exist.

The Auditor, as well as each Managing Director and Supervisory Director shall immediately report any (potential) conflict concerning the Auditor to the Chairman. The Auditor, as well as each Managing Director and Supervisory Director shall provide all information relevant to the conflict of interest to the Chairman. In all circumstances other than the ones listed under c above the Supervisory Board will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest pursuant to which the appointment of the Auditor will have to be reconsidered or other measures must be taken to resolve it.

- 13.5** The Chairman shall procure that the relevant transactions, in relation to which it has been determined that a conflict of interest exists, are published in the Annual Report, mentioning the conflict of interest and that articles 13.1, 13.2 and 13.3 have been complied with.

**14 PREVENTED FROM ACTING OR VACANCY**

If one or more Supervisory Directors are prevented from acting or in the case of a vacancy or vacancies for one or more Supervisory Directors, the remaining Supervisory Directors will temporarily be in charge of the supervision, without prejudice to the right of the General Meeting to appoint a temporary Supervisory Director to replace the Supervisory Director concerned.

**15 RELATIONSHIP WITH THE MANAGEMENT BOARD; INFORMATION**

Notwithstanding information obligations of the Management Board, as set out in the Management Board rules, the Supervisory Board, and the individual Supervisory Directors, have their own responsibility for obtaining all information from the Management Board and the Auditor that the Supervisory Board requires for the due performance of its duties. If the Supervisory Board deems necessary, it may obtain information from officers and external advisors of the Company. The Management Board shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisors attend its meetings.

**16 RELATIONSHIP WITH THE SHAREHOLDERS; INFORMATION**

- 16.1** The Supervisory Board shall provide the General Meeting with any information it may require, unless important interests (*zwaarwegende belangen*) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Supervisory Board shall specify the reasons for invoking such important interests.

- 16.2** The Supervisory Board shall treat shareholders who are in similar circumstances the same when providing information. The Supervisory Board shall ensure that the Management Board draws up the outline of a policy regarding bilateral contacts with shareholders and will publish this on the Company's website.
- 16.3** In accordance with the Articles of Association, the General Meeting may be convened at the request of either the Supervisory Board or the Management Board. The body convening the meeting shall ensure that it is held in due time and that the shareholders are informed by means of a shareholders circular of all facts and circumstances relevant to the item(s) on the agenda. The shareholders circular will be placed on the website of the Company. Furthermore, the person or persons convening the meeting will also ensure that the agenda specifies which items are to be discussed and which items are to be put to a vote.
- 16.4** Each Managing Director shall attend, together with the Supervisory Directors, each General Meeting, unless he or she is prevented from attending on serious grounds or the General Meeting has expressed the wish to meet without the presence of the Management Board or one or more of the Managing Directors.
- 16.5** The Company shall give shareholders entitled to vote the option of providing an independent third party with proxies and/or voting instructions for a General Meeting.
- 16.6** The Supervisory Board and the Management Board are responsible for the Company's corporate governance structure and will account for this to the General Meeting and fully explain any non-compliance with the provisions. The outline of the corporate governance structure will be set out each year in a separate section of the Annual Report. That section will also state the extent to which the Company complies with the 'best practice' provisions of the Code, and if this is not the case, state the reason for this and the extent to which it deviates from them.  
A report on compliance with the Code must be included in the Annual Report. Each significant change in respect of the Company's corporate governance structure and the Company's compliance with the Code must be submitted to the General Meeting as a separate agenda item.

**17 RELATIONSHIP WITH THE WORKS COUNCIL**

Proposals of the Management Board requiring prior approval by the Supervisory Board and in respect of which the works council of a Group Company in the Netherlands has an advisory right or approval right must first be approved by the Supervisory Board. If granted, this approval will be deemed to have been given subject to a positive or neutral advice or approval, as the case may be, by the relevant works council.

**18 CONFIDENTIALITY**

Supervisory Directors shall treat all information and documentation with the necessary discretion and integrity and, in the case of classified information, with the appropriate secrecy. Current and former Supervisory Directors shall refrain from disclosing confidential information outside the Supervisory Board, making it public, or otherwise making it available to third parties, unless the information has been made public by the Company or it has been established by the Chairman that the information is already in the public domain other than by way of unauthorized disclosure.

**19 ONE-OFF RENDERING THE RULES INOPERATIVE, AMENDMENTS**

**19.1** Without prejudice to the provisions of articles 1.2 and 16.6, the Supervisory Board may make a one-off decision to refrain from applying the Rules. That decision, including the explanation why the Rules were not applied, must be reported in the Annual Report.

**19.2** Without prejudice to the provisions of articles 1.2 and 16.6, the Supervisory Board may pass a resolution to amend the Rules. That resolution must be mentioned in the Annual Report.

**20 GOVERNING LAW AND JURISDICTION**

**20.1** The Rules will be governed by and construed in accordance with the law of the Netherlands.

**20.2** The courts of Amsterdam, the Netherlands, have exclusive jurisdiction to settle any dispute arising from or in connection with the Rules, including any dispute regarding the existence, validity or termination of the Rules.