

# RULES OF PROCEDURE SUPERVISORY BOARD VION HOLDING N.V.

These regulations (“**Regulations**”) were amended by the supervisory board (the “**Supervisory Board**”) of VION Holding N.V. on 9 February 2018.

## **1 STATUS AND CONTENT OF THE RULES**

- 1.1** These Regulations were drawn up pursuant to Article 20(3) of the Company’s articles of association and serve to supplement the rules and regulations which apply (from time to time) to the Supervisory Board under Dutch law or the Company’s articles of association.
- 1.2** For the purpose of these Regulations, the “**Company**” is understood to mean Vion Holding N.V. and, where appropriate, the subsidiaries and any other group companies of Vion Holding N.V. whose financial data is included in the Company’s consolidated financial statements.
- 1.3** Where these Regulations are contrary to Dutch law or the Company’s articles of association, these latter will prevail. Where these Regulations are consistent with the articles of association but contrary to Dutch law, Dutch law will prevail. If one of the provisions of these Regulations is not or is no longer valid, this will not affect the validity of the remaining provisions. The Supervisory Board will replace the invalid provisions with valid provisions the effect of which, given their content and purport, will approximate the invalid provisions as closely as possible.
- 1.4** The following appendices, which form an integral part of these Regulations, are attached to these Regulations:
- Appendix A:** the profile outlining the size and composition of the Supervisory Board;
- Appendix B:** the audit committee regulations;
- Appendix C:** the remuneration, selection and appointment committee regulations.
- 1.5** By a unanimous resolution, adopted on 9 February 2018, the Supervisory Board declared:
- (a) that it would apply, and consider itself bound by obligations of, these Regulations;
  - (b) that it would ask new members of the Supervisory Board to make a declaration as referred to under (a) above when taking office.

1.6 By a unanimous resolution, adopted on 9 February 2018, the Company's management board (the "**Management Board**") declared:

- (a) that it would apply, and consider itself bound by obligations of, these Regulations insofar as these apply to the Management Board and its individual members;
- (b) that it would ask new members of the Management Board to make a declaration as referred to under (a) above when taking office.

## 2 **TASK OF THE SUPERVISORY BOARD**

2.1 The task of the Supervisory Board is to supervise the policy pursued by the Management Board and the general affairs of the Company and its associated business, and to provide the Management Board with advice. In performing its duties, the Supervisory Board must be guided by the interests of the Company and its associated business, weighing up the eligible interests of those involved with the Company (including the shareholders). In doing so, the Supervisory Board must also consider corporate social responsibility issues relevant to the business. The Supervisory Board is responsible for the quality of its own performance.

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

2.3 The Supervisory Board's task includes duties such as:

- (a) supervising, monitoring (in advance or otherwise) and advising the Management Board with regard to: (i) the achievement of the Company's objectives, (ii) the strategy and the risks attached to the business operations, (iii) the set-up and functioning of the internal risk management and control systems, (iv) the financial reporting process, (v) a takeover process, if a takeover bid for shares or depository receipts for shares in the Company is being prepared, (vi) the corporate social responsibility issues relevant to the business, (vii) the relationship with the shareholder, and (viii) compliance with the laws and regulations;
- (b) maintaining the Company's corporate governance structure;
- (c) co-signing the Company's financial statements and approving its annual budget and major capital investments;
- (d) selecting and nominating prospective members of the Management Board, and proposing the remuneration policy for Management Board members for adoption by the Company's general meeting of shareholders (the "**General Meeting**");

- (e) determining the remuneration (in accordance with the aforesaid remuneration policy and the provisions of the Dutch corporate governance code) and the contractual employment conditions of the Management Board members;
- (f) adopting a sustainable remuneration policy for the Company's senior management and monitoring the implementation of this remuneration policy by the Management Board;
- (g) selecting and nominating prospective members of the Supervisory Board, and proposing the remuneration of its members for adoption by the General Meeting;
- (h) evaluating and assessing the performance of the Management Board and the Supervisory Board and their individual members (including an assessment of the Supervisory Board profile and the introduction, education and training programmes);
- (i) dealing with, and deciding on, reported (potential) conflicts of interest between the Company on the one hand and members of the Management Board, the Supervisory Board, the external auditor and the shareholder on the other;
- (j) dealing with, and deciding on, reported apparent irregularities concerning the performance of Management Board members;
- (k) supervising the establishment and maintenance of the internal procedures that safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely fashion.

**2.4** Each year, after the end of the Company's financial year, the Supervisory Board will prepare and publish a report on the performance and activities of the Supervisory Board and its committees during that financial year. The report will in any case contain the information referred to in Articles 3.2, 3.9, 6.3, 9.2 and 10.6.

**2.5** The Company will instruct an external auditor to audit the financial statements. The General Meeting is authorised to give the instruction. To this end the Supervisory Board, upon a proposal of the audit committee, will make a nomination to the General Meeting and may also recommend a replacement for the external auditor. The management board should play a facilitating role in this process. If the General Meeting does not give the instruction to an external auditor, the Supervisory Board will be authorised to do so.

### **3 COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE SUPERVISORY BOARD**

**3.1** The Supervisory Board will consist of at least five members. The Supervisory Board will draw up a profile outlining its size and composition, taking the nature of the business, its activities and the desired level of expertise, experience and

independence of its members into consideration. The profile will also address the aspects of diversity in the composition of the Supervisory Board, such as nationality, age, gender, education and work background, that are relevant to the Company. The Supervisory Board will evaluate the profile annually. The current Supervisory Board profile is attached as **Appendix A** to these Regulations and will be published on the Company's website.

- 3.2** Insofar as the Supervisory Board's actual profile differs from the desired profile, the Supervisory Board will account for this in the Supervisory Board's report, indicating the term within which it expects to meet the desired profile.
- 3.3** The composition of the Supervisory Board will be such that the combination of experience, expertise, diversity and independence of its members meets the profile attached as Appendix A, and that this best enables the Supervisory Board to fulfil its various obligations to the Company and those involved with the Company (including the shareholder), in accordance with the applicable laws and regulations (including, where appropriate, the rules of stock exchanges on which the shares or depositary receipts for shares in the Company are listed).

The division of duties among the Supervisory Board members follows from the profile attached as **Appendix A**.

- 3.4** The Supervisory Board must be constituted in compliance with the following requirements:
- (a) each of its members must be able to assess the main features of the overall policy of the Company and its business;
  - (b) each of its members must fit the profile attached as Appendix A and through his participation in the Supervisory Board (upon appointment or reappointment and afterwards), the Supervisory Board as a whole is constituted in accordance with Article 3.3;
  - (c) at least one of its members must have gained relevant knowledge and experience in respect of the accounting procedures of large companies or other large legal entities;
  - (d) none of its members may hold more than five supervisory directorships (supervisory positions) at businesses classified as "large enterprises" within the meaning of Sections 2:132a and 2:397(1) and (2) of the Dutch Civil Code (*Burgerlijk Wetboek*) (including the Company), whereby the chairmanship of a supervisory board or one-tier board counts twice;
  - (e) none of its members may sit on the board of a trust office that holds and administers the shares in the Company's capital in trust. A former member of the Supervisory Board will not hold a position on the board of the such a trust office either;
  - (f) the chairman of the Supervisory Board may not be a former member of the Management Board.

- 3.5** The desired composition of the Supervisory Board enables Supervisory Board members to operate independently, including the ability to operate critically with one another, the Management Board, and any particular interests involved.
- 3.6** It is the Supervisory Board's aim that the majority of its members are independent as referred to in Article 3.7.
- 3.7** A Supervisory Board member will not be regarded as independent (and will therefore be classified as independent if none of the following applies to him/her) if he, or his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:
- (a) was an employee or Management Board member of the Company or any of its affiliates within the five years preceding his appointment as a Supervisory Board member;
  - (b) receives personal financial compensation from the Company or from one of its affiliates (other than the remuneration received for work performed on the Supervisory Board), if and insofar as this compensation is awarded outside the context of normal business operations;
  - (c) had an important business relationship with the Company or one of its affiliates in the year preceding his appointment as a Supervisory Board member. Such cases include the situation in which a Supervisory Board member, or an office of which he is a shareholder, partner, employee or consultant, has acted as advisor to the Company (consultant, external auditor, civil-law notary or lawyer), and the situation in which the Supervisory Board member is a managing director or employee of a bank with which the Company maintains a significant and long-standing relationship;
  - (d) is a managing director of a company in which a member of the Management Board (that he supervises) is a Supervisory Board member (interconnections);
  - (e) holds at least ten percent of the shares in the Company (including shares held by natural or legal persons with which he cooperates under an explicit legal contract or a tacit, written or verbal contract);
  - (f) is a managing director or supervisory director of, or otherwise represents, a legal person that holds at least ten per cent of the shares in the Company (group companies not included);
  - (g) temporarily managed the Company during the preceding 12 months when members of the Management Board were absent or unable to act.

The Supervisory Board will declare in the Supervisory Board's report that, in its view, it complies with the provisions of Article 3.6. In addition, the Supervisory Board will indicate in this report which of its members, if any, it considers not to be independent.

- 3.8** The General Meeting may designate one or more members of the Supervisory Board as a "delegated" supervisory director. A delegated supervisory director is a member of the Supervisory Board with a special task. The delegation cannot extend beyond the Supervisory Board member's own duties and does not

comprise managing the Company. It serves to intensify supervision and advice and to increase the frequency of consultations with the Management Board. A delegated supervisory directorship is only temporary in nature and will not affect the task and authority of the Supervisory Board. The delegated supervisory director will remain a member of the Supervisory Board.

- 3.9** Every Supervisory Board member is obliged to provide the chairman of the Supervisory Board with the information required in order to establish and, where applicable, keep a record of his:
- (a) gender;
  - (b) age;
  - (c) occupation;
  - (d) principal position;
  - (e) nationality;
  - (f) ancillary positions, insofar as relevant to the performance of the supervisory director's duties;
  - (g) date of initial appointment;
  - (h) the current term for which he was appointed.

The chairman sees to it that this information is published in the Supervisory Board's report.

- 3.10** The Supervisory Board shall draw up a diversity policy for the composition of the Board of Management, the Supervisory Board and the executive committee of the Company (the "**Executive Committee**"), which addresses the specific targets relating to diversity and the diversity aspects relevant to the Company.

#### **4 APPOINTMENT, REAPPOINTMENT, TERM OF OFFICE AND RETIREMENT**

- 4.1** The members of the Supervisory Board are appointed in the manner provided for in the articles of association, on the nomination of the Supervisory Board. In the event of reappointment, consideration will be given to the manner in which the candidate performed his duties as member of the Supervisory Board. In any appointment or reappointment the profile referred to in Article 3.1 should be observed. Supervisory Board members will be appointed for a period not exceeding four years, on the understanding that, unless a member of the Supervisory Board resigns earlier, their term of appointment will expire in the fourth year after the year of their appointment, at the end of the annual general meeting of shareholders.
- 4.2** A member of the Supervisory Board may be reappointed for another four-year period, with due observance of the provisions of Article 4.1. The supervisory board member may then subsequently be reappointed for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the supervisory board.

- 4.3** The Supervisory Board will draw up a rotation schedule in order to keep the possibility of reappointments taking place simultaneously to a minimum. Without prejudice to the provisions of Article 4.4, Supervisory Board members will resign in accordance with the rotation schedule. The rotation schedule will be published on the Company's website.
- 4.4** Supervisory Board members will retire early in the event of unsatisfactory performance, fundamental incompatibility of interests or whenever the Supervisory Board deems this necessary for other reasons.
- 4.5** Supervisory Board members who temporarily manage the Company when members of the Management Board are absent or unable to act will (temporarily) step down from the Supervisory Board in order to take on these managerial duties.

## **5 CHAIRMAN, VICE-CHAIRMAN AND COMPANY SECRETARY**

- 5.1** The General Meeting will appoint one of the Supervisory Board members as chairman. The Supervisory Board will appoint one of its members as vice-chairman. The chairman sees to the functioning of the Supervisory Board and its committees and is the main point of contact, on behalf of the Supervisory Board, for the Management Board and for the shareholder as regards the performance of Management Board and Supervisory Board members. The chairman sets the agenda and presides over the Supervisory Board meetings, and, as chairman, ensures that general meetings of shareholders proceed in an orderly and efficient manner. The chairman of the Supervisory Board is responsible for:
- (a) ensuring that the Supervisory Board members follow their introduction, education and training programmes;
  - (b) ensuring that the Supervisory Board members are provided adequately and in good time with the information they need in order to perform their duties properly;
  - (c) ensuring that the Supervisory Board has more than sufficient time for seeking advice, consultation and adoption of resolutions;
  - (d) the proper functioning of the Supervisory Board committees;
  - (e) the evaluation and assessment of the performance of the Management Board and Supervisory Board members;
  - (f) the appointment of a vice-chairman of the Supervisory Board;
  - (g) ensuring that contact with the Management Board and the (central) works council is properly maintained, and that the other Supervisory Board members are informed accurately and in good time about the outcome of this contact;
  - (h) receiving and deciding on notifications of potential conflicts of interest as referred to in Article 11;

- (i) receiving and deciding on reported alleged irregularities concerning the performance of Management Board members as referred to in Article 13.2;
- (j) ensuring that the performance of individual Management Board members and Supervisory Board members is assessed at least annually;
- (k) ensuring that the Management Board performs activities in respect of culture; and
- (l) the Supervisory Board is involved closely, and at an early stage, in any merger or takeover process.

When the occasion arises, the vice-chairman will deputise for the chairman and will also act as point of contact for individual Supervisory Board members and the Management Board as regards the chairman's performance.

**5.2** The Supervisory Board is supported by the Company secretary. The Company secretary is responsible in particular for:

- (a) ensuring that the correct procedures are followed and that obligations under the law and the articles of association are fulfilled (including the obligations under these Regulations); and
- (b) supporting the chairman of the Supervisory Board in the actual organisation of the Supervisory Board (information, agenda, evaluation, the introduction, education and training programme, etc.).

If the Company secretary also undertakes work for the Management Board and notes that the interests of the Management Board and the Supervisory board diverge, as a result of which it is unclear which interests the Company secretary should represent, the Company secretary should report this to the chairman of the Supervisory Board.

## **6 THE SUPERVISORY BOARD AND ITS COMMITTEES**

**6.1** If the Supervisory Board consists of more than four members, it will have at least two core committees: an audit committee and a remuneration, selection and appointment committee. The Supervisory Board sets up and constitutes these committees from amongst its members, on the understanding that the Supervisory Board aims to limit the number of members in each committee who are not independent, as referred to in Article 3.7, to one. The Supervisory Board as a whole will remain responsible for resolutions, even if these have been prepared by one of the Supervisory Board committees.

**6.2** The Supervisory Board will draw up regulations for each committee, setting out the committee's principles and best practices (task, composition, meetings, etc.). The current regulations of the committees are attached as **Appendices B and C**.



- 6.3** The composition of the committees, the number of committee meetings and the principal subjects to be discussed at these meetings will be specified in the Supervisory Board's report.
- 6.4** If one or more of the committees referred to in Article 6.1 is not or is no longer set up, the principles and best practices set out in the relevant appendix will apply to the Supervisory Board.
- 6.5** After each committee meeting, the committee in question will provide the Supervisory Board with a report of its deliberations and findings.

## **7 REMUNERATION**

- 7.1** From time to time, the Supervisory Board will submit a proposal to the General Meeting regarding the remuneration of the chairman, the vice-chairman and the other Supervisory Board members. The remuneration of the Supervisory Board members does not depend on the Company's results. If Supervisory Board members must charge VAT on their remuneration, the Company will pay this VAT.
- 7.2** The remuneration of the Supervisory Board members must be determined in compliance with the following requirements:
- (a) none of its members will accept personal loans, guarantees and suchlike from the Company other than in the context of normal business operations and after approval by the Supervisory Board; and
  - (b) loans will not be waived.
- 7.3** The Supervisory Board members will be reimbursed for all reasonable costs incurred for the purpose of attending meetings. All other costs will only be eligible for reimbursement, either wholly or in part, with the chairman's prior consent; the chairman will inform the Supervisory Board about this on a yearly basis.
- 7.4** The level of remuneration is determined by the General Meeting. The explanatory notes to the financial statements will in any case contain the information required by law on the level and structure of remuneration of the individual Supervisory Board members.

## **8 INTRODUCTION PROGRAMME AND ONGOING TRAINING AND EDUCATION**

- 8.1** Having been appointed, each Supervisory Board member will follow an introduction programme which addresses the following aspects:
- (a) general financial, social and legal affairs;
  - (b) financial reporting by the Company;
  - (c) specific aspects that are unique to the Company and its business operations;

- (d) the Company's culture; and
- (e) the responsibilities of the Supervisory Board members.

**8.2** Each year, the Supervisory Board will assess which aspects its members require further training or education on during their term of appointment.

**9 SUPERVISORY BOARD MEETINGS (AGENDA, CONFERENCE CALLS, PARTICIPATION, REPORT)**

**9.1** The Supervisory Board will meet at least six times a year and furthermore as often as one or more of its members considers it necessary. Although, as a rule, the meetings will be held at the Company's offices, they may also be held elsewhere. Meetings may also be held by telephone or video conferencing, provided that all the participating members can hear each other simultaneously.

**9.2** The Supervisory Board's report will state the number of meetings held during the year and which Supervisory Board members attended these meetings.

**9.3** Unless the Supervisory Board decides otherwise, the Supervisory Board meetings will be attended by one or more members of the Management Board, except for meetings dealing with:

- (a) the assessment of the performance of the Management Board and its individual members, and the conclusions to be attached to this assessment;
- (b) the assessment of the performance of the Supervisory Board and its individual members, as well as the separate Supervisory Board committees, and the conclusions to be attached to this assessment;
- (c) the desired profile, composition and competence of the Supervisory Board;
- (d) (potential) conflicting interests of members of the Management Board.

The Company's external auditor will attend each Supervisory Board meeting at which the external auditor's report on the audit of the financial statements is on the agenda and at which the financial statements are to be discussed. The Supervisory Board will decide whether and to what extent the Management Board is to attend the discussion of the auditor's report. The external auditor will receive the financial information on which the adoption of the quarterly and/or half-yearly figures and other interim financial reports is based, and will be given the opportunity to respond to this information.

**9.4** The Supervisory Board may require that certain officers of the Company and external advisers attend its meetings.

**9.5** Meetings will be convened by the Company secretary on behalf of the Supervisory Board member who requests this. Insofar as this is practicable, the notice and the agenda of items to be discussed will be provided to the

Supervisory Board members, and any Management Board members invited to the meeting, seven days before the start of the meeting.

**9.6** The secretary to the meeting will draw up the report of the meeting. As a rule, the report will be adopted at the next meeting. If all the Supervisory Board members agree to the contents of the report, however, the report may also be adopted earlier. The report will be signed by the chairman in evidence of its adoption and will be sent to the other Supervisory Board members as soon as possible. Extracts from the adopted report may be signed and made available by the Company secretary.

**10 SUPERVISORY BOARD RESOLUTIONS (QUORUM, VOTING, SUBJECTS TO BE DISCUSSED)**

**10.1** The Supervisory Board can only adopt legally valid resolutions at meetings if the majority of its voting members are present or represented. Members with a conflicting interest do not count towards this quorum.

**10.2** The Supervisory Board can also adopt resolutions without holding a meeting, provided that this is done in writing or via a different (electronic) medium and all Supervisory Board members express themselves in favour of the motion concerned.

**10.3** The adoption of a resolution outside a meeting must be reported at the next Supervisory Board meeting. Members who have a conflicting interest in the subjects on which resolutions are adopted outside a meeting may not take part in the adoption of the resolution or object to the manner of adopting resolutions outside a meeting.

**10.4** The Supervisory Board can adopt legally valid resolutions by an absolute majority of the votes cast. If the votes are tied, the chairman will have the casting vote.

**10.5** Recurring agenda items will in any case include the Company's budget and financial results, important decisions requiring action from the Supervisory Board, the Company's strategy and changes to this strategy (e.g. the long-term strategy, capital investments falling outside the Company's budget, long-term capital structures, setting up new business units, major acquisitions and disposals) and the reports of the Supervisory Board's separate commissions.

**10.6** The Supervisory Board will discuss the following at least once a year:

- (a) the subjects referred to in Article 9.3 under (a) to (c) inclusive;
- (b) the introduction, training and education programmes as referred to in Article 8;
- (c) the strategy and principal risks associated with the business, and the results of the evaluation by the Management Board of the set-up and functioning of the internal risk management and control systems, as well as any significant changes to these systems.

## 11 CONFLICTING INTERESTS

11.1 Any conflict of interest between the Company and Supervisory Board members should be prevented.

Supervisory Board members must be alert to conflicts of interest and may not:

- (a) compete with the Company;
- (b) demand or accept substantial gifts from the Company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- (c) provide unjustified advantages to third parties at the Company's expense;
- (d) take advantage of business opportunities that the Company is entitled to, for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

11.2 For purposes of this clause 11, a "**Conflicting Interest**" means:

- (a) a direct or indirect personal conflict of interest within the meaning of article 2:140(5) BW; and
- (b) any other situation which causes reasonable doubt about whether the Supervisory Board member concerned is primarily guided in the decision-making process by the interests of the Company and its business.

11.3 A Supervisory Board member will not take part in the discussion and adoption of resolutions on a subject or transaction whereby he has a Conflicting Interest or a potential Conflicting Interest. If the provisions of the preceding sentence prevent the Supervisory Board from adopting a resolution, the resolution will be adopted by the General Meeting. The terms under which such a transaction may then be entered into must at least be those that are customary in the sector concerned. Resolutions to enter into such transactions will require the Supervisory Board's approval.

11.4 The chairman of the Supervisory Board will see to it that all transactions involving Conflicting Interests are published in the annual report, which will specify the Conflicting Interest and state that this Article 11 has been observed.

11.5 A Conflicting Interest in respect of a Supervisory Board member will exist in any case if:

- (a) the Company proposes to enter into a transaction with a legal person in which a Supervisory Board member personally holds a material financial interest;

- (b) the Company proposes to enter into a transaction with a legal person where a member of the supervisory board of that legal person has a family relationship with one of the Company's Supervisory Board members;
- (c) the Supervisory Board has ruled that a Conflicting Interest exists or is deemed to exist.

**11.6** Each Supervisory Board member (other than the chairman of the Supervisory Board) must immediately report any (potential) Conflicting Interest to the chairman of the Supervisory Board. Each Supervisory Board member who has a (potential) Conflicting Interest must provide the chairman of the Supervisory Board with all relevant information in this respect. The Supervisory Board will decide whether a reported (potential) Conflicting Interest is a Conflicting Interest to which Article 11.1 applies.

**11.7** If the chairman of the Supervisory Board has a (potential) Conflicting Interest, he must immediately report this to the vice-chairman of the Supervisory Board. The chairman must provide the vice-chairman of the Supervisory Board with all relevant information in this respect. The Supervisory Board will decide whether a reported (potential) Conflicting Interest is a Conflicting Interest to which Article 11.1 applies.

**11.8** Where members of the Management Board have a conflict of interest with the Company, the provisions of Article 11 of the Management Board Regulations will apply.

**11.9** In addition, a Conflicting Interest will be deemed to exist if the Company proposes to enter into a transaction with a natural or legal person that holds at least ten percent of the shares in the Company. Resolutions to enter into such transactions will require the Supervisory Board's approval. The chairman of the Supervisory Board will see to it that these transactions are published in the Management Board's annual report, which will state that this Article 11.9 has been observed.

**11.10** Conflicting Interests with the Company's external auditor will exist in any case:

- (a) in the situations referred to in Sections 23, 24, 24a and 24b of the Audit Firms (Supervision) Act (*Wet toezicht accountantsorganisaties*);
- (b) if the external auditor's non-audit activities (other than those referred to under (a)) for the Company (including in any case marketing, support in the areas of (management) consultancy and information technology) cast doubt on the external auditor's independence as regards (the audit of) the financial reporting;
- (c) if the Supervisory Board has ruled that a Conflicting Interest exists or is deemed to exist.

**11.11** The external auditor, as well as each member of the Management Board and the Supervisory Board, must immediately report any potential Conflicting Interest regarding the external auditor to the chairman of the Supervisory Board. The external auditor, as well as each member of the Management Board and the Supervisory Board, must provide the chairman of the Supervisory Board with all relevant information in this respect. In all cases, other than those referred to under (a) above, the Supervisory Board will decide whether a reported (potential) Conflicting Interest is a Conflicting Interest which necessitates reconsideration of the external auditor's appointment or other measures that would eliminate the Conflicting Interest. The chairman of the Supervisory Board will see to it that these measures are published in the annual report, which will specify the Conflicting Interest and state that this Article 11 has been observed.

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

## **12 POSITIONS OUTSIDE THE COMPANY**

Before accepting positions outside the Company, Supervisory Board members must inform the chairman of the Supervisory Board, and the chairman must inform the vice-chairman of the Supervisory Board. . If the chairman (or, in case of a notification by the chairman, the vice-chairman) of the Supervisory Board, in view of a potential Conflicting Interest or otherwise, so decides, the relevant position outside the Company will also be discussed by the Supervisory Board as a whole. The Supervisory Board will annually discuss the outside positions held by Supervisory Board members.

## **13 COMPLAINTS, NOTIFICATION OF IRREGULARITIES**

**13.1** The Management Board will see to it that employees have the opportunity, without endangering their legal position, to report apparent irregularities of a general, operational or financial nature within the Company to the chairman of the Management Board or an officer designated by the chairman.

**13.2** Alleged irregularities concerning the performance of Management Board members must be reported to the chairman of the Supervisory Board.

**13.3** Whistleblowers' regulations will be published on the Company's website.

## **14 INFORMATION, RELATIONSHIP WITH THE MANAGEMENT BOARD AND THE EXECUTIVE COMMITTEE**

**14.1** The Supervisory Board and its individual members have a responsibility to ask the Management Board, Executive Committee and the external auditor for all information which the Supervisory Board requires in order to fulfil its duties properly as a supervisory body. If the Supervisory Board considers this necessary, it may collect information from Company officers and external

advisors. Individual Supervisory Board members will only collect information directly from Company officers with the consent of the chairman of the Supervisory Board. The Management Board will make the necessary resources available for this purpose. The Supervisory Board may request that Company officers and external advisors be present at its meetings.

- 14.2** The Management Board will inform the Supervisory Board in good time (and where possible in writing) about the facts and developments concerning the Company which the Supervisory Board may require in order to fulfil its duties properly.
- 14.3** If a takeover bid for shares or depositary receipts for shares in the Company is being prepared, the Management Board will ensure that the Supervisory Board is closely involved in the takeover process in good time.
- 14.4** The Management Board will provide a report to the Supervisory Board three times a year, drawn up in a format to be agreed from time to time, which contains information about the general affairs and gives a forecast of the results for the current year.
- 14.5** Without prejudice to the foregoing, the Management Board will provide the Supervisory Board each year with a budget for the coming year, a recent version of its long-term plans and the main features of the Company's strategic policy, general and financial risks and the risk management and control system. The Supervisory Board will subsequently discuss this report of the Management Board at a meeting. These documents will be provided in good time, so as to enable the Supervisory Board to approve them by December of the current year at the latest.
- 14.6** If a Supervisory Board member obtains information (from a source other than the Management Board or the Supervisory Board) which is useful for the Supervisory Board to fulfil its duties properly, he will make this information available to the chairman of the Supervisory Board as soon as possible. The chairman will subsequently inform the entire Supervisory Board.
- 14.7** At least annually, the Management Board and the Supervisory Board discuss the remuneration of the members of the Executive Committee who are not members of the Management Board.

## **15 RELATIONSHIP WITH THE SHAREHOLDER**

- 15.1** In conformity with the Company's articles of association, general meetings of shareholders will be held at the request of the Management Board or the Supervisory Board. The person or persons convening the meeting will ensure that it is held in good time and that the shareholder is informed, by means of explanatory notes to the agenda, about all the relevant facts and circumstances regarding the subjects to be discussed. The person or persons convening the meeting will also ensure that the agenda states which items are to be discussed and which items are to be voted on.

- 15.2** The members of the Management Board and the chairman and vice-chairman of the Supervisory Board will attend the general meetings of shareholders, unless they are unable to attend for valid reasons. In conformity with the Company's articles of association, the Supervisory Board will appoint the chairman of the general meeting. The chairman of the general meeting of shareholders will be responsible for the proper order of the meeting, in order to facilitate meaningful discussion at the meeting. Without prejudice to the provisions of Section 2:13 of the Dutch Civil Code, the outcome of the vote, as established and delivered by the chairman, will be decisive.
- 15.3** The Supervisory Board will provide the General Meeting with all information requested, unless such disclosure is incompatible with compelling interests of the Company or with a legal provision or rule of law. If the Supervisory Board relies on such a compelling interest, it will explain this and state its reasons.
- 15.4** In providing information, the Supervisory Board will treat shareholders in similar circumstances equally.
- 15.5** The Management Board and the Supervisory Board are responsible for the Company's corporate governance structure and render account for this to the General Meeting, whereby any derogations from the provisions are properly substantiated. Each year, the main features of the corporate governance structure will be described in a separate chapter of the annual report.

## **16 RELATIONSHIP WITH THE WORKS COUNCIL**

- 16.1** The Supervisory Board maintains contact with the works council in accordance with the relevant provisions of the Works Councils Act (*Wet op de ondernemingsraden*).
- 16.2** The chairman of the Supervisory Board is primarily responsible for maintaining and coordinating the contact with the (central) works council. If a Supervisory Board member is invited to attend a meeting of the (central) works council, he will only accept such an invitation after prior consultation with the chairman.
- 16.3** If a proposal of the Management Board requires the approval of the Supervisory Board as well as a recommendation from the (central) works council, the proposal will first be submitted for approval to the Supervisory Board.

If approval is obtained, it will be granted under the condition of a positive or non-negative recommendation from the (central) works council.

## **17 SECRECY**

Each Supervisory Board member is obliged to exercise the necessary discretion in respect of all information and documentation obtained in the context of his membership, and to observe secrecy in respect of confidential information. Members and former members of the Supervisory Board will not take confidential information away from the Supervisory Board or Management Board, disclose it to the public or make it available to third parties in other ways,



unless the Company has disclosed this information or it has been established that this information is already in the public domain.

**18 INCIDENTAL INAPPLICABILITY, AMENDMENT**

**18.1** Without prejudice to the provisions of Article 1.3, the Supervisory Board may decide by resolution not to apply these Regulations on an incidental basis.

**18.2** Without prejudice to the provisions of Article 1.3, the Supervisory Board may amend these Regulations by resolution. Such resolution will be mentioned in the Supervisory Board's report.

**19 APPLICABLE LAW**

These Regulations are governed by, and must be interpreted in accordance with, Dutch law.

## **Appendix A Profile outlining the size and composition of the Supervisory Board**

This profile was adopted on 9 February 2018 pursuant to the provisions of Article 3.1 of the Supervisory Board Regulations.

Taking account of the nature of the business and its activities, the size and composition (and the division of duties) of the Supervisory Board will be as follows.

The Supervisory Board will consist of at least five members. Supervisory Board members will be selected and nominated on the basis of the following criteria:

- *(international) experience*: each Supervisory Board member must have sufficient experience that is in line with the specific nature of the Company's business, the Company's size, the Company's international character and the spheres of interest and markets in which the Company operates. One or more of the Supervisory Board members must have gained experience in managing a large enterprise (whether listed or unlisted);
- *specific expertise*: the composition of the Supervisory Board must be such that:
  - (i) at least one member has expertise in the field of international financial/economic policy;
  - (ii) at least one member has expertise in the field of agricultural industry;
  - (iii) at least one member has expertise in the field of commerce and marketing;
- *personal qualities*: as well as possessing integrity, independence and empathy, a Supervisory Board member must fit in with the existing Supervisory Board, so that there is successful teamwork within the Supervisory Board and successful collaboration with the Management Board.

The size and composition of the Supervisory Board and the expertise of its members will be such that it provides the closest match with the Company's profile and strategy. The Company aims for diversity within the Supervisory Board, among other things with regard to a balanced representation of men and women on the Supervisory Board. In selecting and nominating candidates for the Supervisory Board, the Supervisory Board will pay close attention to the male-female ratio within the Supervisory Board.

The composition of the Supervisory Board will be such that the combination of experience, expertise and independence of its members best enables the Supervisory Board to fulfil its various duties to the Company and those involved with the Company (including the shareholders).

## **Appendix B    Audit committee regulations**

These regulations were adopted on 9 February 2018 pursuant to Article 6.2 of the Supervisory Board Regulations and amendments were adopted on 26 June 2018.

### **1        TASK OF THE AUDIT COMMITTEE**

**1.1**    Without prejudice to Article 6.1 of the Supervisory Board Regulations, the Audit Committee prepares the Supervisory Board's decision making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems, including but not limited to:

- (a)    assessment of all issues relating to the accounting principles, the internal control, the financial reporting functions, the internal audit, the external audit, the risk assessment and compliance with the regulations;
- (b)    relations with the internal and external auditors, and compliance with and follow-up on their recommendations and comments;
- (c)    the Company's funding;
- (d)    the application of information and communication technology by the Company, including risks relating to cybersecurity;
- (e)    the Company's tax policy; and
- (f)    the Company's policies in respect to food safety, animal welfare and product integrity.

**1.2**    The audit committee's specific task includes:

- (a)    supervising, monitoring (in advance or otherwise) and advising the Management Board with regard to the functioning of the internal risk management and control systems, including supervision of compliance with the relevant laws and regulations and supervision of the operation of codes of conduct;
- (b)    supervising the provision of financial information by the Company (choice of accounting policies, application and evaluation of the effects of new regulations, insight into the treatment of "estimated items" in the financial statements, forecasts, the relevant work of internal and external auditors, etc.);
- (c)    supervising compliance with recommendations and giving follow-up to the observations of the internal and external auditors;
- (d)    supervising the operation of the internal audit function, in particular jointly determining the work plan for the internal audit department and taking note of the latter's deliberations and findings;

- (e) supervising the Company's policy as regards tax planning;
- (f) supervising the applications of information and communication technology;
- (g) supervising the implementation of controls in relation to food safety, animal welfare and product integrity;
- (h) maintaining regular contact and supervising the relationship with the external auditor, including in particular (i) assessing the external auditor's independence, remuneration and any non-audit activities carried out for the Company, (ii) determining the external auditor's involvement in the content and publication of the Company's financial reports other than the financial statements, and (iii) taking note of such irregularities in the content of financial reports as may be reported by the external auditor;
- (i) submitting a proposal to the Supervisory Board for the nomination of an external auditor for appointment by the General Meeting;
- (j) discussing the Company's financial statements and approving its annual budget and major capital investments.

**1.3** In addition, the Audit Committee carries out the following duties:

- (a) recommending persons for appointment as senior internal auditor;
- (b) forming a position on how the internal audit function fulfils its responsibility;
- (c) cooperating with the internal audit function on the preparation of the internal audit plan, which audit plan is to be submitted to the management board, and then to the supervisory board, for approval. In this internal audit plan, attention should be paid to the interaction with the external auditor.

**1.4** Each year, the audit committee will prepare a report of its deliberations and findings and submit this report to the Supervisory Board. This report includes information on how the duties of the Audit Committee were carried out in the financial year, and also reports on the composition of the Audit Committee, the number of meetings of the Audit Committee and the main items discussed at those meetings.

**1.5** At least once a year, the audit committee and the Management Board together will report to the Supervisory Board on the developments in the relationship with the external auditor/the lead auditor within the external auditor's firm, dealing in particular with the auditor's independence, including the desirability/necessity of lead auditor rotation within a firm of external auditors entrusted with the audit and the performance of non-audit activities for the Company. The selection and nomination of the external auditor will partly depend on the outcome of this report.

**1.6** If there is no internal audit function within the Company, the audit Committee will each year evaluate whether the need for an internal auditor has arisen. Based on this evaluation, the audit committee will prepare a recommendation from the Supervisory Board to the Management Board, which recommendation will be included in the Supervisory Board's report.

**1.7** The external auditor will receive the financial information on which the adoption of the quarterly and/or half-yearly figures and other interim financial reports is based, and will be given the opportunity to respond to this information.

## **2 COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE AUDIT COMMITTEE**

**2.1** The audit committee will consist of at least two members.

**2.2** Without prejudice to Article 3.4 of the Supervisory Board Regulations, the audit committee must be constituted in compliance with the following requirements:

(a) at least one of its members has relevant knowledge of and experience with the bookkeeping and accounting procedures of listed companies or other large enterprises;

(b) each of its members, with the exception of no more than one person, must be independent as referred to in Article 3.7 of the Supervisory Board Regulations;

(c) neither the chairman of the Supervisory Board nor one of the members or former members of the Management Board may chair or simultaneously chair the audit committee.

## **3 CHAIRMAN**

Subject to the provisions of Article 2 of these regulations, the Supervisory Board will appoint one of the audit committee members as chairman. The chairman will be responsible in particular for the proper functioning of the audit committee. He will act as spokesperson for the audit committee and will be the main point of contact for the Supervisory Board.

## **4 AUDIT COMMITTEE MEETINGS (COMMITTEE AGENDA, PARTICIPANTS AND REPORTS)**

**4.1** The audit committee will meet at least twice a year and furthermore as often as one or more of its members considers it necessary. Although, as a rule, the meetings will be held at the Company's offices, they may also be held elsewhere.

**4.2** Where appropriate, the Company's external auditor may submit a request to the chairman of the audit committee asking to attend a meeting of the audit committee.

- 4.3** The audit committee will meet at least once a year with the Company's external auditor, without any Management Board members being present. The chairman of the audit committee will decide, for each meeting, who will be invited to attend the meeting in addition to the audit committee members. The Management Board member responsible for financial affairs (CFO), the external auditor, the internal auditor and the Director Quality Assurance will be the audit committee's regular discussion partners.
- 4.4** Meetings will be convened by the person requesting such a meeting. Insofar as this is practicable, the notice and the agenda of items to be discussed will be provided to the audit committee members seven days before the start of the meeting.
- 4.5** A report of the meeting will be drawn up by the person who has been designated to do so by the chairman of the meeting. As a rule, this report will be adopted at the next meeting. If all the audit committee members agree to the contents of the report, however, the report may also be adopted earlier. The report will be signed by the chairman in evidence of its adoption and will be sent to the other audit committee members as soon as possible.

**5 ANALOGOUS APPLICATION OF THE SUPERVISORY BOARD REGULATIONS**

Articles 1.1, 1.2, 1.3, 10.1, 10.4, 18 and 19 of the Supervisory Board Regulations apply by analogy to these regulations.

## **Appendix C Remuneration, selection and appointment committee regulations**

These regulations were adopted on 9 February 2018 pursuant to Article 6.2 of the Supervisory Board Regulations.

### **1 TASK OF THE REMUNERATION, SELECTION AND APPOINTMENT COMMITTEE**

**1.1** Without prejudice to Article 6.1 of the Supervisory Board Regulations, the remuneration, selection and appointment committee (the “**Committee**”) advises the Supervisory Board with regard to its duties and prepares the adoption of resolutions by the Supervisory Board in this respect. The Committee is responsible for:

- (a) assessment of all issues relating to appointment procedures and appointments, the performance of Management Board and Supervisory Board members, and the remuneration of the Management Board members;
- (b) mediation in respect of any other issues which the Supervisory Board may refer to the Committee;
- (c) timely reporting to the Supervisory Board through the submission of reports; and
- (d) timely reporting to the Supervisory Board, which reports will identify all issues within the range of duties which are deemed to require action or improvement, and recommendations as regards the measures to be taken.

**1.2** The Committee’s task in the area of selection and appointment includes duties such as:

- (a) drawing up selection criteria and appointment procedures regarding Management Board and Supervisory Board members;
- (b) periodically assessing the size and composition of the Supervisory and Management Boards and submitting a proposal for the Supervisory Board profile;
- (c) periodically assessing the performance of individual Management Board and Supervisory Board members, and reporting on this to the Supervisory Board;
- (d) the drawing up of a plan for the succession of Management Board and Supervisory Board members;
- (e) proposing appointments and reappointments; and

- (f) supervising the Management Board's policy regarding selection criteria and appointment procedures for senior management.

**1.3** The Committee's task in the area of remuneration includes duties such as:

- (a) analysing the possible outcomes of the variable remuneration components and the associated consequences for the remuneration of the Management Board members;
- (b) submitting a proposal to the Supervisory Board regarding the remuneration policy to be conducted with regard to Management Board members, to be adopted by the General Meeting;
- (c) submitting a proposal regarding the remuneration of the individual Management Board members, to be adopted by the Supervisory Board, which proposal will in any case address: (i) the remuneration structure, (ii) the level of the fixed remuneration, the shares and/or options to be awarded and/or other variable remuneration components, pension entitlements, severance arrangements and other payments, the pay ratios within the company and its affiliated enterprise as well as the performance criteria and their application;
- (d) preparing the adoption of resolutions by the Supervisory Board as regards the approval of a sustainable remuneration policy for the Company's senior management and, on behalf of the Supervisory Board, monitoring the implementation of this policy by the Management Board;
- (e) drawing up the remuneration report on the remuneration policy conducted, to be adopted by the Supervisory Board. The Supervisory Board's remuneration report will contain a report of the manner in which the remuneration policy was put into practice over the year under review, as well as an overview of the remuneration policy being put forward by the Supervisory Board for the subsequent financial year and following years.

**1.4** The Committee will take note of individual Management Board members' own views with regard to the amount and structure of their own remuneration. The Management Board members will be requested to pay attention to the aspects referred to under (c) of Article 1.3 of this Committee Charter.

## **2 COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE COMMITTEE**

**2.1** The Committee will consist of at least two members.

**2.2** Without prejudice to Article 3.4 of the Supervisory Board regulations, the Committee will be constituted with due regard for the Committee's aim that each of its members, with the exception of no more than one person, should be independent as referred to in Article 3.7 of the Supervisory Board Regulations.



**2.3** Neither the chairman of the Supervisory Board nor one of the former members of the Management Board may chair the Committee.

**2.4** If the Committee uses the services of a remuneration consultant in the context of its remuneration-related duties, it must make sure that the relevant consultant is not providing services to any of the Company's Management Board members.

### **3 CHAIRMAN**

Subject to the provisions of Article 2 of these regulations, the Supervisory Board will appoint one of the Committee members as chairman. The chairman will be responsible in particular for the proper functioning of the Committee. He will act as spokesperson for the Committee and will be the main point of contact for the Supervisory Board.

### **4 MEETINGS (COMMITTEE AGENDA, PARTICIPANTS AND REPORTS)**

**4.1** The Committee will meet at least twice a year and furthermore as often as one or more of its members considers it necessary. Although, as a rule, the meetings will be held at the Company's offices, they may also be held elsewhere.

**4.2** The chairman of the Committee will decide, for each meeting, who will be invited to attend the meeting in addition to the Committee members. The chairman of the Management Board (CEO) and the Group HR Director will be the Committee's regular discussion partners. The CEO will not attend any meetings at which his own remuneration, appointment or reappointment is to be discussed.

**4.3** Meetings will be convened by the person requesting such a meeting. Insofar as this is practicable, the notice and the agenda of items to be discussed will be provided to the Committee members seven days before the start of the meeting.

**4.4** A report of the meeting will be drawn up by the person who has been designated to do so by the chairman of the meeting. As a rule, the report will be adopted at the next meeting. If all the Committee members agree to the contents of the report, however, the report may also be adopted earlier. The report will be signed by the chairman in evidence of its adoption and will be sent to the other Committee members as soon as possible.

### **5 ANALOGOUS APPLICATION OF THE SUPERVISORY BOARD REGULATIONS**

Articles 1.1, 1.2, 1.3, 10.1, 10.4, 18 and 19 of the Supervisory Board Regulations apply by analogy to these regulations.