1. Functions of the Board

The Company shall be managed by a one-tier Board, comprising one Executive Board member, i.e. the Chief Executive Officer (“CEO”), and Non-executive Board members. The Board has ultimate responsibility for the management, general affairs, direction and performance of the business as a whole. The Board is presided by the Chairman.

The CEO shall manage the day to day business of the Company and the business connected thereto (de vennootschap en de met haar verbonden onderneming).

In their capacities as members of the Board, the Non-executive Board members supervise the management and performance of duties of the CEO as to the day to day affairs of the Company. The Board has no day-to-day management responsibility.

The Board performs, inter alia, the following functions with the assistance and upon recommendations of the relevant Committees:

1. Reviewing and approving the Company's strategies, long-term plans and major corporate actions, as well as monitoring their progress;

2. Reviewing the financial, legal and ethical controls of the Company and ensuring that appropriate compliance processes are in place to enable risks to be assessed and managed;

3. Reviewing the CEO's objectives and performance evaluation;

4. Reviewing major allocations of capital and approving significant business acquisitions and divestitures;

5. Nominating candidates for election by the General Meeting to membership on the Board;

6. Resolving upon the compensation of the CEO with due observance of the Company's remuneration policy for the CEO as adopted by the General Meeting;

7. Creating a culture that contributes to long-term value creation of the Company and its affiliated enterprise and in doing so considering the relevant interests of all stakeholders of the Company. The Board shall:

   a. adopt common values for the Company and its affiliated enterprise that contribute to a culture focused on long-term value creation; the Board is responsible for the incorporation and maintenance of the values within the Company and its affiliated enterprise;

   b. encourage behaviour that is in keeping with the values, and propagate these values through leading by example; and
c. draw up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the Company;

8. All such other duties and powers as included in clause 11.9 of the Articles of Association.

The CEO shall not participate in the decision-making process (beraadslaging en besluitvorming) that involves the decision referred to in paragraph 5 and 6 above.

2. Chairman of the Board

The Board shall be chaired by the Chairman, not being the CEO. The Chairman will be appointed by the Board from among its Non-executive Board members. The Board may at any time revoke such appointment.

The Chairman’s general and specific responsibilities cover:

- ensuring the proper functioning of the Board and its Committees and acting as the main contact regarding the functioning of the Board;

- convening meetings of the Board, either at his own initiative, or at the request of the CEO or one-fifth of the Board members in office;

- presiding over Board meetings, as well as over General Meetings, and responsible for a proper conduct of business at meetings;

- ensuring that the Board members receive in good time all information which is necessary for the proper performance of their duties;

- ensuring that the Board members follow their induction, education and training programme;

- determining the Board agenda for each meeting and including such additional agenda items that Board members deem necessary or appropriate in carrying out their duties in consultation with the CEO, and ensuring that sufficient time is available for consultation and decision-making by the Board;

- promoting effective relationships and open communication between Board members;

- coordinating the activities of the Committees established by the Board;

- ensuring that the performance of the CEO, the Non-executive Board members, the Board as a whole and its Committees is evaluated at least once a year;

- ensuring that the CEO performs activities in respect of Company culture as referred under 1.7(a) above;

- ensuring that any (suspicion of) material misconduct and irregularities are reported to the Board without delay;

- ensuring effective communication with shareholders is assured; and
• ensuring that the Board is involved timely and closely in a merger or takeover process of the Company.

Vice-Chairman In case of the Chairman’s absence or inability to act, the Committee Chairmen will designate among themselves a Vice-Chairman, who will temporarily assume the position.

3. Chief Executive Officer (“CEO”)

The CEO shall manage the day to day business of the Company and the business enterprise connected therewith. The CEO is entrusted with all the Board’s powers, authorities and discretions (including the power to sub-delegate any of those powers, authorities, decision-making powers and discretions) in relation to the day to day management of the Company, which shall include, but not be limited to the following matters (except such matters as reserved to the Board in accordance with the Articles of Association and this Board Charter):

• to manage, lead and represent the Company;
• to chair the senior management team assisting the CEO in the day to day management of the Company;
• to keep the Chairman informed of all major developments, achievements and issues;
• to represent the Company towards external parties, such as shareholders, customers, institutions and industry organisations, with the support of the Chairman;
• all such duties and powers as included in article 11.9 of the Articles of Association below the material amount.

The CEO in executing his duties is accountable to the Board as a whole.

The CEO is authorised to take any decision in relation to those tasks which have been delegated to him pursuant to the Articles of Association and the Board Charter. Such decision shall be deemed a decision of the Board.

The senior management team referred to above is not involved in the decision making process of the Board, in the meaning of the explanatory notes to Best Practise Provision 2.1.3 of the Dutch Corporate Governance Code. A description of the senior management team, including the CFO, can be found in the annual report.

4. Non-executive Board members

As Board members, the Non-executive Board members share full responsibility for the execution of the Board’s duties. Non-executive Board members supervise the following key elements:

• Strategy and M&A: Non-executive Board members constructively challenge and help develop long term strategic plans for the Company. They review and approve material M&A opportunities;
• Performance: Non-executive Board members scrutinise the performance of management against agreed objectives and provide regular evaluation, including both strengths and recommendations for improvement;

• Risk: Non-executive Board members satisfy themselves on the integrity of financial information and that financial controls and risk management systems are robust and defensible;

• Financial Reporting: Non-executive Board members shall monitor the integrity and quality of the financial reporting;

• Compensation: Non-executive Board members shall be responsible for proposing the remuneration policy of the CEO as recommended by the Compensation Committee to the shareholders for adoption, and shall be responsible for implementation of such remuneration policy;

• Appointment and Dismissal: Non-executive Board members are responsible for appointing, and where necessary removing, the CEO;

• Compliance: Non-executive Board members keep aware of governance and compliance with the legislation and regulations applicable and under review;

• Shareholder relations: Non-executive Board members oversee the CEO’s relations with the Company’s shareholders.

Non-executive Board members prepare recommendations for the Board as part of the Committees they are assigned to and satisfy themselves that the work done by the other Committees meets the appropriate quality standards for the decision making at the level of the Board.

5. Company Secretary

The Company Secretary is responsible for:

• ensuring that procedures are followed and that the Board acts in accordance with its statutory obligations and its obligations under the Articles of Association;

• assisting the Chairman in the organisation of the affairs of the Board (information, agenda, evaluation, training programme, etc.);

• administrating and attending of Board meetings and General Meetings and drafting minutes of such meetings;

• keeping the minutes of meetings of the Board properly signed and in good order.

6. Board Meetings

Regular Meeting Calendar

1. Frequency. The Board will meet in person at least four (4) times per year, unless it determines that more or fewer meetings are required.
2. *Topics.* The Board agenda will include regular reviews of the strategy, business performance and key opportunities affecting the Company overall, and various Company businesses and functions. Business unit and functional presentations address key issues facing the business unit/function and decisions and strategies relating to those issues. Board members should propose to the Chairman the inclusion of additional agenda items that they deem necessary or appropriate in carrying out their duties. Appropriate time will be allotted for Board members' questions and input.

At least once per year, the Board will meet outside the presence of the CEO to review the performance and succession plan for the CEO. Succession planning should include policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO. The Board's evaluation of the CEO's performance will be shared with the CEO.

3. *Distribution of Materials.* Information and materials will, generally, be distributed one week in advance of the Board meetings where important to the Board's understanding or to facilitate discussion.

*Locations.* The Board will meet in the Netherlands, unless a majority of the Board members entitled to vote determines otherwise.

*SPECIAL MEETINGS.* The Board shall meet whenever the CEO, the Chairman or one-fifth of the Board members in office so request. Special meetings may be held in person or by telephone or other form of interactive electronic communication, provided that all participating can simultaneously hear one another.

*Voting.* A Board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has an actual or potential conflict of interest with the Company.

*Non-executive Sessions.* Non-executive Board members will meet regularly at least once per year outside the presence of any Company employee. The Chairman will lead non-executive sessions.

*Board Minutes.* The Board meetings shall be minuted under the responsibility of the Company Secretary. The minutes of meetings of the Board shall in evidence of their adoption be signed by the Chairman and the Company Secretary. The minutes of meetings of the Committees shall in evidence of their adoption be signed by the Chairman and the secretary of the Committee concerned.

7. **Nomination criteria for Board members**

The Board will prepare a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and background of Non-executive Board members. It will plan the evolution of the Board composition according to its profile.

The individual qualifications sought in potential Board member nominees, identified by the Nomination and Governance Committee for consideration by the Board, are set forth in the Nomination and Governance Committee charter. In addition, the following criteria regarding independence and terms of office are applied in the selection of candidates for nomination:
Independence.
The composition of the Board is such that its members are able to act critically and independently of one another and any particular interests involved; in order to safeguard this the Board is composed in accordance with the provisions of the Dutch Corporate Governance Code, and as laid down in the Profile of the Non-Executive Board members.

Diversity.
The Board shall draw up a diversity policy with regard to the composition of the Board that addresses the targets relating to diversity and the diversity aspects relevant to the Company, such as nationality, age, gender, expertise and education.

Retirement Policy.
The CEO will normally retire at the age of 65, unless otherwise agreed with the Board.

The Board considers that after having served two terms or upon reaching the age of 70 at reappointment date, Non-executive Board members may be reappointed for maximum terms of two years. The Board shall prepare a retirement schedule for its Board members.

Change in Principal Occupation.
Candidates for nomination are required to agree to submit their resignation from the Board to the Nomination and Governance Committee if they change their principal occupation and such occupation would either conflict with their membership duties within the Company or render them unable to perform their duties in a way required by the laws and present rules. The Nomination and Governance Committee will inform the Board as to whether or not it recommends the acceptance of the resignation.

Board members’ Time Commitment and Availability.
Board members are expected to regularly attend Board meetings and meetings of the Committees on which they serve, and to undertake any additional tasks assigned to them by the Board, as recommended by the Nomination and Governance Committee. Any extraordinary circumstance that would cause a member to attend fewer than seventy-five percent (75%) of all Board meetings should be discussed with the Chairman and the Chair of the Nomination and Governance Committee as far in advance as possible. Board members are expected to review all materials distributed to them in advance of the meetings and to spend the time necessary to prepare for meetings. Board members must be reachable by the Chairman and the Company Secretary on short notice and be available for special meetings of the Board when necessary.

Board memberships.
For the number and type of other (supervisory) board memberships that Directors may hold, Board members shall comply with the recommendations of the Dutch Corporate Governance Code and with the limitations on mandates as set out in the Dutch Civil Code. Annually, the Board should review and discuss the board mandates and other positions held by Board members.

In addition, a Non-executive Board member shall not hold more than five board memberships at listed companies (worldwide), unless approved by the Chairman, or in case of the Chairman by the Nomination and Governance Committee.

In addition to his present position as CEO of the Company, the CEO shall not hold more than two board memberships at listed companies (worldwide), nor shall he be the chairman of the board of
a listed company. The acceptance by the CEO of a board membership of a listed company requires the approval of the Board. Other important positions held by the CEO shall be notified to the Board.

Each Non-executive Board member needs to receive prior approval from the Chairman of the Nomination and Governance Committee before accepting any new corporate board mandates.

Board members are required to inform the Chairman of the Nomination and Governance Committee of any change in their existing status as director on any other board. The CEO will consult with the Board prior to any senior manager of the Company accepting a position on the board of any major or potential major supplier, contractor, or consultant and will inform the Board of any outside board memberships accepted by a senior manager of the Company.

8. **Board Committees**

**Purpose.** The purpose of the Committees is to help the Board effectively and efficiently fulfil its responsibilities. The Committees do not displace the oversight responsibilities of the Board as a whole. Committees will report the results of their significant activities to the full Board or make recommendations to the full Board as appropriate.

**Standing Committees.** The Board has established four standing Committees of the Board.

1. **Audit Committee** has the responsibilities set forth in its charter with respect to supervising and reporting to the Board on the quality and integrity of the Company's financial statements, the Company's compliance with legal, regulatory and taxation requirements, the Company's financing and IT policies, the Company's overall risk management profile, the independent auditor's qualifications and independence and the performance of the Company's internal audit function and independent auditors.

2. **Compensation Committee** has the responsibilities set forth in its charter with respect to supervising overall Company compensation policies and their specific application to senior executives and to members of the Board; and preparing an annual report on Non-executive Board members and CEO compensation for inclusion in the Company's Annual Report.

3. **Nomination and Governance Committee** has the responsibilities set forth in its charter with respect to supervising the nomination of new Directors and the annual evaluation of the Board and supervising the Company's compliance with corporate governance.

4. **M&A Committee** has the responsibilities set forth in its charter with respect to supervising and reviewing the major features of the Company's merger, acquisition and divestiture activities.

**Board Committee Membership.** Each Committee will be comprised of Non-executive Board members only with a minimum of three. A majority of the members of each Committee shall be independent.

**Assignment and Rotation of Committee Members.** The Nomination and Governance Committee will, after consultation with the Chairman, make membership recommendations for all Committees to the full Board for action to become effective at the first Board meeting following the Annual General Meeting of Shareholders.
**Board Committee Agendas.** The Chair of each Committee will in cooperation with the Committee secretary and after consultation with appropriate members of Company management, determine the agenda for each meeting. The Chairman and other Committee members may also suggest the inclusion of items on the agenda.

**Self-Assessment.** Each of the Committees will conduct on a yearly basis a self-assessment of the functioning of the Committee.

9. **Board Compensation**

**Compensation Committee Responsibility.** The Compensation Committee will annually review the compensation of Board members and will make recommendations to the full Board.

**Compensation Philosophy.** In making its recommendations to the full Board concerning the compensation of Board members, the Compensation Committee should consider the following goals:

1. The remuneration policy, including severance payment, shall focus on long-term value creation for the Company and its affiliated enterprise and take into account the internal pay ratios within the enterprise. The remuneration policy shall not encourage Executive Board members to act in their own interest, nor to take risks that are not in line with the strategy formulated and the risk appetite that has been established.

2. Board members should be fairly compensated for the work involved in supervising the management of a company the size and scope of the Company and the responsibilities of their role.

3. Board members’ compensation should be competitive with director compensation at other European companies of the size and scope of the Company.

10. **Board access to information**

The Board and its Committees have full and free access to management and employees of the Company. For purposes of preparing the agenda for Board and Committee meetings, the Chairman and Committee Chairs regularly solicit suggestions from the Board members for presentations by senior management or others at Board and Committee meetings. Any additional meetings or contacts that a Board member wishes to initiate may be arranged through the Chairman, the Company Secretary, or any Committee Chair.

The Board may, at the Company's expense, hire such independent advisors, including attorneys, accountants, and other consultants, as it deems necessary or appropriate to carry out its duties.

11. **Board Introduction Program**

The Nomination and Governance Committee will monitor the introduction program for new Board members. This will include the opportunity to meet with the senior management of the Company in order to become familiar with the Company's activities and practices.
12. **Board Self-Evaluation**

The Board and each of the Committees will perform an annual self-evaluation. At least once a year, the Board will meet outside the presence of the CEO to review the performance of the Non-executive Board members as a group, as well as each of the Non-executive Board members. The Board may require the assistance of an independent corporate governance expert.

13. **Ethics and Conflicts of Interest**

The Board expects Board members to act ethically at all times and to acknowledge their adherence to the policies including the Company's Code of Ethics. The Board will not permit any waiver of any ethics policy for any Board member. If an actual or potential conflict of interest arises for a Board member, the Board member shall promptly inform the Chairman and the other Directors and comply with the relevant provisions of the Articles of Association and Dutch law. The Board shall decide whether there is a conflict of interest. If a significant conflict exists and cannot be resolved, the Board member should step down temporarily or resign.

14. **Relationship with the General Meeting**

The Board shall provide the General Meeting with all requested information, unless this would be contrary to an overriding interest of the Company. If the Board invokes an overriding interest, it must give reasons.

15. **Corporate Governance and Corporate Social Responsibility**

The Board as a whole as well as each individual member of the Board shall comply with the Dutch Corporate Governance Code. The Board supervises the Company's corporate social responsibility structure.

16. **Amendment of this Charter**

Recognizing that best practices for the Board and practical considerations will change over time, the Board will monitor developments in these areas and will amend this Charter as it deems appropriate.