



Supervisory Board Regulations

Introduction

- 1.1 The Supervisory Board of Beter Bed Holding N.V. has drafted and adopted these regulations in accordance with section 30 paragraph 12 of the articles of association of the Company by written resolution dated 3 November 2020.

- 1.2 These regulations are in addition to the regulations regarding the Supervisory Board and its members as set forth in the applicable legislation and regulations, the articles of association of the Company and the Management Board Regulations.

- 1.3 The Supervisory Board and the Management Board are responsible for the corporate governance structure of the Company and any substantial amendment to this structure must be presented to the Annual General Meeting (**AGM**) as a separate agenda item.

- 1.4 These regulations will be placed on the Company's website.

Composition of the Supervisory Board, positions and committees

- 2.1 The Supervisory Board will be composed in such manner that the requisite expertise, background, competencies and independence are present for them to carry out their duties properly. The size of the Supervisory Board will reflect these requirements.

- 2.2 The Supervisory Board prepares a profile outlining the required size and composition of the board, taking into account the nature of the business of the Company and its subsidiaries and the necessary professionalism and background of the members of the Supervisory Board. The composition of the Supervisory Board must be such that the Supervisory Board as a whole meets the standards laid down in the profile. The current draft of the Supervisory Board profile can be found on <https://www.beterbedholding.com/corporate-governance/code-regulations>.

- 2.3 The Supervisory Board consists of a minimum of three and a maximum of five members.

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- 2.4 Each Supervisory Board member should have the specific expertise required for the fulfilment of his duties and should be capable of assessing the broad outline of the overall management.
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- 2.5 The Supervisory Board shall draw up a diversity policy for the composition of the Management Board and the Supervisory Board that addresses the concrete targets relating to diversity and the diversity aspects relevant to the Company, such as nationality, age, gender, and education and work background. The current draft of the diversity policy can be found on <https://www.beterbedholding.com/corporate-governance/code-regulations>.
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- 2.6 The composition of the Supervisory Board must be such that the members are able to function critically and independently of each other and the Management Board. The availability and employability of a Supervisory Board member must weigh into this decision.
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- 2.7 All the members of the Supervisory Board, with the exception of a maximum of one member, must be independent in the sense of best practice 2.1.7 and 2.1.8 of the Dutch Corporate Governance Code. With respect to the Chair of the Supervisory Board, he/she may not be a former member of the Management Board of the Company and shall be independent within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code.
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- 2.8 At least one member of the Supervisory Board must be a financial expert.
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(Re)appointment; Term of appointment; Resignation

- 3.1 The members of the Supervisory Board are appointed by the AGM.
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- 3.2 The Supervisory Board shall ensure that a formal and transparent procedure is in place for the appointment and reappointment of Supervisory Board members, as well as a sound plan for the succession of Supervisory Board members, with due regard to the diversity policy. On reappointment, account must be taken of the candidate's past performance as a Supervisory Board member.
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- 3.3 Members of the Supervisory Board are appointed for a period of four years and may then be reappointed once for another four-year period. The Supervisory Board member may then subsequently be reappointed again 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. In any appointment or reappointment, the Supervisory Board profile should be observed.
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- 3.4 A nomination or recommendation by the Supervisory Board to the AGM to appoint a Supervisory Board member shall state the candidate's age, his profession, the amount and number of shares he holds in the Company's capital and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a Supervisory Board member. Furthermore, the legal entities of whose Supervisory Boards he is also a member of must be listed; if those include legal entities which belong to the same group, reference to that group is sufficient. The recommendation or nomination for appointment or reappointment shall state the reasons on which it is based.
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3.5 With due regard for the applicable statutory provisions, a person cannot be appointed as a member of the Supervisory Board if he or she is a member of the Supervisory Board or a non-executive director of at least five other legal entities, with the position of Chair of the Supervisory Board and/or the Management Board, if the management duties are divided between executive and non-executive directors, counting as two such positions.

3.6 A member of the Supervisory Board is required to step down before the end of the term if his or her performance is considered inadequate, if there is a situation of structural irreconcilability of interests or if the Supervisory Board deems resignation necessary for another reason. In the event of the early retirement of a member of the Supervisory Board, the Company should issue a press release mentioning the reasons for the departure.

3.7 The Supervisory Board shall ensure that the Company has a sound plan in place for the succession of Supervisory Board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the Supervisory Board Profile in drawing up the plan for Supervisory Board members. The Supervisory Board shall also draw up a retirement schedule in order to avoid, as much as possible, Supervisory Board members retiring simultaneously, which must and will be published on the Company's website.

Chair, Vice-chair and Company secretary

4.1 The Supervisory Board appoints a Chair and a Vice-chair from its membership. The Chair may not be a former member of the Management Board of the company.

4.2 The Chair of the Supervisory Board is primarily responsible for the performance of the Supervisory Board and its committees. The Chair of the Supervisory Board in any case ensures that:

- i. the Supervisory Board has proper contact with the Management Board, the employee participation body and the AGM;
- ii. the Supervisory Board elects a Vice-chair;
- iii. there is sufficient time for deliberation and decision-making by the Supervisory Board;
- iv. the Supervisory Board members receive all information that is necessary for the proper performance of their duties in a timely fashion;
- v. the Supervisory Board and its committees function properly;
- vi. the functioning of individual Management Board members and Supervisory Board members is assessed at least annually;
- vii. the Supervisory Board members and Management Board members follow their induction program;
- viii. the Supervisory Board members and Management Board members follow their education or training program;
- ix. the Management Board performs activities in respect of culture;
- x. the Supervisory Board recognises signs from the enterprise affiliated with the Company and ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
- xi. the AGM proceeds in an orderly and efficient manner;
- xii. effective communication with shareholders is assured; and
- xiii. the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes.

The Chair of the Supervisory Board should consult regularly with the Chair of the Management Board.

4.3 The Chair of the Supervisory Board should act on behalf of the Supervisory Board as the main contact for the Management Board, Supervisory Board members and shareholders regarding the functioning of Management Board members and Supervisory Board members.

4.4 The Vice-chair of the Supervisory Board shall deputise for the Chair when the occasion arises.

4.5 The Vice-chair should act as contact for individual Supervisory Board members and Management Board members regarding the functioning of the Chair.

4.6 A Supervisory Board member who temporarily takes on the management of the Company, where the Management Board members are absent or unable to fulfil their duties, should resign from the Supervisory Board.

4.7 The Supervisory Board shall be supported by the Company secretary. The secretary:

- i. shall ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with;
- ii. shall facilitate the provision of information of the Management Board and the Supervisory Board; and
- iii. shall support the Chair of the Supervisory Board in the organisation of the affairs of the Supervisory Board (including the provision of information, meeting agendas, evaluations and training programs).

4.8 The Company secretary shall, either on the initiative of the Supervisory Board or otherwise, be appointed and dismissed by the Management Board, after the approval of the Supervisory Board has been obtained.

4.9 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 secretary should represent, the secretary should report this to the Chair of the Supervisory Board.

Committees

5.1 If the Supervisory Board consists of more than four members, it should appoint from among its members an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee. Without prejudice to the collegiate responsibility of the Supervisory Board, the duty of these committees is to prepare the decision-making of the Supervisory Board. If the Supervisory Board decides not to establish an Audit Committee, a Remuneration Committee or a Selection and Appointment Committee, the best practice provisions applicable to such committee(s) should apply to the entire Supervisory Board.

5.2 The Supervisory Board remains collectively responsible for decisions that have been prepared by its committees.

5.3 The Supervisory Board shall draw up regulations for the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. The regulations shall indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The regulations are posted on <https://www.beterbedholding.com/corporate-governance/code-regulations>.

5.4 The Supervisory Board shall receive from each of the committees a report of their deliberations and findings and comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings shall be mentioned.

5.5 The Supervisory Board is free to draft and amend a set of regulations for each committee at any time.

Tasks, authorities and reporting

6.1 The Supervisory Board is responsible for supervising the policy of the Management Board, and the general course of affairs within the Company and its affiliated companies. The Supervisory Board supports the Management Board with advice. The responsibility for executing these tasks lies with the Supervisory Board as a whole.

6.2 In fulfilling its tasks, the Supervisory Board monitors whether the Management Board concentrates on the long term value creation for the Company and its affiliated companies and weighs the qualified interests of parties who have an interest in the Company accordingly.

6.3 The Supervisory Board stimulates openness and accountability within the Supervisory Board, and between the different organs within the Company.

6.4 The Supervisory Board and its individual members each have their own responsibility to obtain all the information from the Management Board, the internal audit function, the external auditor and the employee participation body that the Supervisory Board deems necessary in order to properly exercise its task as a supervisory body. Should the Supervisory Board consider it necessary, it is allowed to obtain information from officers and external advisors of the Company or have them attend meetings.

6.5 The Supervisory Board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the Management Board itself is involved, the Supervisory Board should have the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.

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- 6.6 At least once a year, outside the presence of the Management Board, the Supervisory Board should evaluate its own functioning, the functioning of the various committees of the Supervisory Board and that of the individual Supervisory Board members, and should discuss the conclusions that are attached to the evaluation. In doing so, attention should be paid to:
- i. substantive aspects, the mutual interaction and the interaction with the Management Board;
 - ii. events that occurred in practice from which lessons may be learned; and
 - iii. the desired profile, composition, competencies and expertise of the Supervisory Board.
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- 6.7 In addition to the matters set forth in the articles of association, the following decisions of the Management Board require the advance approval of the Supervisory Board:
- i. The annual budget stating the Company's financial and operational objectives and other matters, as well as the strategy that is expected to lead to the fulfilment of these objectives and the related preconditions.
 - ii. The issue of shares, rights to purchase shares, bonds or other securities.
 - iii. Application for a public listing or withdrawal of a public listing of the securities stated in paragraph two in the price list of any stock exchange.
 - iv. Any proposal for amending the articles of association.
 - v. Any proposal to dissolve the Company.
 - vi. Filing for bankruptcy and application for suspension of payments.
 - vii. Termination of the employment contracts of a considerable number of employees of the Company or a dependent Company.
 - viii. Filing for bankruptcy, suspension of payments or a comparable status in a foreign jurisdiction for a subsidiary company of the Company.
 - ix. Making investments that are not included in the approved budget and that amount to more than 10% of the investment budget.
 - x. Amending the type of activities that the Company conducts.
 - xi. Entering into loan agreements or other financial expenses.
 - xii. Adopting or amending the basic principles employed for drawing up the annual accounts.
 - xiii. Any transaction between the Company and a legal or natural person holding (directly or indirectly) 10% or more of the Company's issued share capital.
 - xvi. Appointment and dismissal of the senior internal auditor.
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- 6.8 The Supervisory Board shall draw up a report to be included in the annual report of the Company in which it renders account of the supervision conducted in the financial year concerned and containing the specific statements and information referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2 of the Dutch Corporate Governance Code.
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In relation to the Management Board

- 7.1 The Supervisory Board shall supervise the manner in which the Management Board implements the long-term value creation strategy. The Supervisory Board shall regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it. In the report drawn up by the Supervisory Board, an account is given of its involvement in the establishment of the strategy, and the way in which it monitors its implementation.
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- 7.2 The Supervisory Board shall supervise the activities of the Management Board in creating a culture aimed at long-term value creation for the company and its affiliated enterprise.
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- 7.3 The Supervisory Board oversees the internal audit function and maintains regular contact with the person of the Management Board fulfilling this function.
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- 7.4 The Supervisory Board shall supervise the policies carried out by the Management Board and the general affairs of the company and its affiliated enterprise. In so doing, the Supervisory Board shall focus on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting.
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- 7.5 The Supervisory Board shall supervise the establishment and implementation of internal procedures which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely fashion.
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- 7.6 The Supervisory Board's supervision of the Management Board includes the supervision of relations with shareholders.
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- 7.7 At least once a year, outside the presence of the Management Board, the Supervisory Board should evaluate both the functioning of the Management Board as a whole and that of the individual Management Board members, and should discuss the conclusions that must be attached to the evaluation, such also in light of the succession of Management Board members.
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Remuneration of the Management Board

- 8.1 The Supervisory Board shall be responsible for formulating the Remuneration policy of the Management Board on a proposal by the Remuneration Committee, and its implementation. The Remuneration policy shall be clear and understandable, shall focus on long-term value creation for the Company and take into account the internal pay ratios. The Remuneration policy shall not encourage Management 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. The Remunerations policy can be found on <https://www.beterbedholding.com/corporate-governance/code-regulations>.
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- 8.2 The Supervisory Board shall determine the remuneration of the individual Management Board members on a proposal by the Remuneration Committee, within the scope of the Remuneration policy adopted by the AGM.
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- 8.3 When drafting the proposal for the remuneration of Management Board members, the Remuneration Committee shall take note of individual Management Board members' views with regard to the amount and structure of their own remuneration.
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- 8.4 The Remuneration Committee shall annually on behalf of the Supervisory Board prepare a remuneration report, in which the Supervisory Board renders account of the implementation of the Remuneration policy in a transparent manner. This report shall in any event contain the following information, and must and will be published on the Company's website:
- i. how the Remuneration policy has been implemented in the past financial year;
 - ii. how the implementation of the Remuneration policy contributes to long-term value creation;
 - iii. that scenario analyses have been taken into consideration;
 - iv. the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
 - v. in the event that a Management Board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
 - vi. in the event that a current or former Management Board member receives a severance payment, the reason for this payment.
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- 8.5 The Supervisory Board shall have the power to adjust upwards or downwards the value of a variable remuneration component conditionally awarded in a particular financial year if payment thereof is unacceptable according to standards of reasonableness and fairness.
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- 8.6 The Supervisory Board shall have the power to claim back from the Managing Board members the variable remuneration component in part or in whole, in so far as payments were made on the basis of inaccurate information about the realisation of targets, or circumstances that such remuneration was made conditional to, that underlie the variable remuneration (claw back clause).
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- 8.7 The main elements of the agreement of a Management Board member with the Company must and will be published on the Company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the AGM where the appointment of the Management Board member will be proposed.
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- 8.8 The remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the Management Board member, or in the event of seriously culpable or negligent behaviour on the part of the Management Board member.
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Supervision of Financial Reporting

- 9.1 The Audit Committee shall report to the Supervisory Board on its deliberations and findings, which will be discussed by the Supervisory Board.
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- 9.2 The Supervisory Board should maintain regular contact with the external auditor.
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9.3 The Supervisory Board shall be permitted to examine the most important points of discussion arising between the external auditor and the Management Board based on the draft management letter or the draft audit report.

9.4 The external auditor is required to attend at least the Supervisory Board meeting during which the related examination of the annual accounts contained in the external auditor's report is discussed.

9.5 The contacts between the Supervisory Board and the external auditor are in principle conducted via the Chair of the Audit Committee. The external auditor shall inform the Chair of the Audit Committee without delay if, during the performance of his duties, he discovers or suspects an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the functioning of a Management Board member, the external auditor should report this directly to the Chair of the Supervisory Board.

9.6 The Supervisory Board supervises compliance with the internal procedures that the Management Board has established for drawing up and publishing the annual report, the annual accounts, the quarterly and/or half-year figures and ad hoc financial information.

Nomination and assessment of the external auditor

10.1 The external auditor is appointed by the AGM in each instance for a period of one year. The Supervisory Board can make a non-obligatory nomination to the AGM and supervise the external auditor's functioning.

10.2 The Audit Committee shall advise the Supervisory Board regarding the external auditor's nomination for appointment/reappointment or dismissal and shall prepare the selection of the external auditor. The Audit Committee shall give due consideration to the Management Board's observations during the aforementioned work. Also on this basis, the Supervisory Board should determine its nomination for the appointment of the external auditor to the AGM.

10.3 The Audit Committee shall report annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the external auditor. The Supervisory Board shall give the external auditor a general idea of the content of the reports relating to their functioning.

10.4 The Supervisory Board shall resolve on the engagement of the external auditor to audit the financial statements, on the basis of the proposal of the Audit Committee shall submit a proposal to the Supervisory Board for the external auditor's engagement. The Management Board shall play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be used and remuneration for the audit.

10.5 The main conclusions of the Supervisory Board regarding the external auditor's nomination and the outcomes of the external auditor selection process shall be communicated to the AGM.

10.6 The Audit Committee, together with the Management Board, must conduct a thorough evaluation of the external auditor's performance at least once every four years. The key findings of this evaluation are presented to the AGM.

Relation with the shareholders

- 11.1 Where appropriate, the Supervisory Board shall ensure that all shareholders and other parties in the financial markets will be provided with equal and simultaneous information about matters that may influence the share price.
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- 11.2 The Supervisory Board shall ensure that the AGM is adequately provided with information.
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- 11.3 The Supervisory Board ensure compliance with all applicable legislation and regulations with respects to the rights of the AGM and the related rights of individual shareholders.
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- 11.4 If the Supervisory Board decides not to provide the AGM with all information desired with the invocation of an overriding interest on the part of the Company, they must give reasons for this.
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- 11.5 The members of the Supervisory Board attend the AGM, unless they are unable to attend due to special circumstances.
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- 11.6 The Supervisory Board members nominated for appointment should attend the AGM at which votes will be cast on their nomination.
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- 11.7 The AGM are presided over by the Chair or, in his absence, the Vice-chair. The Supervisory Board may designate someone else to preside over the meeting. The Chair of the AGM is responsible for ensuring the proper conduct of business at the meetings in order to promote a meaningful discussion at the meeting.
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Relation with the employee participation body

- 12.1 The Supervisory Board will meet annually with (representatives of) the group's works council to discuss the functioning of the Management Board and any other matters the works council wishes to bring to the Supervisory Board's attention.
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Meetings and decision-making

Frequency, notice, agenda and venue of meetings

- 13.1 The Supervisory Board meets as often as is necessary to ensure a well-functioning Supervisory Board, but no less than four times a year. At one of the meetings the Company's annual budget, including the Company's financial and operational objectives and the preconditions under which these objectives must be realised, will be discussed.
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13.2 The meetings will in principle take place at the Company's offices, but they can also be held elsewhere, if so decided upon by the Chair. Members of the Supervisory Board may participate in the meetings, by telephone, videoconference or other electronic form of direct communication.

13.3 The meetings of the Supervisory Board will be called by the Company secretary in consultation with the Chair. Insofar as practicable, the announcement and the agenda of matters for discussion will be sent to the members of the Supervisory Board at the latest seven days before the start of the meeting. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda. The Chair shall in principle, either directly or through the Company secretary, consult on the content of the agenda with the CEO prior to convening the meeting.

13.4 Each Supervisory Board member has the right to request that an item be placed on the agenda for a Supervisory Board meeting.

Attendance and admittance to the meetings

14.1 Supervisory Board members shall attend Supervisory Board meetings and the meetings of the committees of which they are part. If a Supervisory Board member is frequently absent from Supervisory Board meetings he shall be held accountable.

14.2 The Management Board shall be requested to attend as many of the Supervisory Board meetings as possible, to the extent the Supervisory Board does not indicate that it wishes to meet in the absence of the Management Board.

14.3 A member of the Supervisory Board can have another member represent him or her at meetings. The Chair must be informed of such authorisation in advance. In accordance with clause 8.3, the external auditor is required to attend at least the Supervisory Board meeting during which the related examination of the annual accounts contained in the external auditor's report is discussed.

Chair of meetings; minutes

15.1 Supervisory Board meetings are presided over by the Chair or, in his absence, the Vice-chair. If both are absent, one of the other Supervisory Board members, designated by a majority of votes cast by the Supervisory Board members present at the meeting, shall preside.

15.2 The Company secretary or any other person designated for such purpose by the Chair of the meeting shall draw up a report on the proceedings at the meeting. The report shall provide insight into the decision-making process at the meeting. The report shall be adopted by the Supervisory Board at the next meeting.

Decision-making within the Supervisory Board

- 16.1 The members of the Supervisory Board shall seek unanimity in decisions whenever possible.
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- 16.2 Each member of the Supervisory Board has one vote.
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- 16.3 If unanimity proves impossible to obtain and the legislation, the articles of association of the Company or these regulations do not require a larger majority, the Supervisory Board is allowed to reach decisions on the basis of a simple majority of the votes. Should there be an equal number of votes, the Chair's vote will be decisive. The Supervisory Board can only reach decisions if a majority of the current members of the Supervisory Board are present or represented at the meeting.
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- 16.4 Supervisory Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Supervisory Board members then in office and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing, which can also be issued through a proxy, from all the Supervisory Board members. A statement from a Supervisory Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.
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- 16.5 The Supervisory Board may deviate from the provisions of clauses 15.3 (last sentence) and 15.4 if this is deemed necessary by the Chair, considering the urgent nature and other circumstances of the case, provided that all Supervisory Board members are allowed the opportunity to participate in the decision-making process. The Chair and the Company secretary shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Supervisory Board.
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Conflict of interest

- 17.1 The Supervisory Board is responsible for the decision-making on dealing with conflicts of interest regarding Management Board members, Supervisory Board members and majority shareholders in relation to the Company.
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- 17.2 A member of the Supervisory Board will:
- i. Not act in competition with the Company.
 - ii. Not promote or accept any gifts, with the exception of customary small gifts, from the Company for himself, his spouse, registered partner or other partner, (foster) child or a person related by blood or marriage to the second degree.
 - iii. Not provide unfair advantages to third parties to the detriment of the Company.
 - iv. Not take advantage of any business opportunities to which the Company is entitled for himself, for his spouse, registered partner or other partner, (foster) child or persons related by blood or marriage to the second degree.
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- 17.3 A conflict of interest may exist if the Company intends to enter into a transaction with a legal entity:
- i. in which a member of the Management Board or the Supervisory Board personally has a material financial interest; or
 - ii. which has a member of the Management Board or the Supervisory Board who is related under family law to a member of the Management Board or the Supervisory Board of the Company.
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- 17.4 A member of the Supervisory Board must immediately report to the Chair of the Supervisory Board any conflict of interest that is of substantial consequence to the Company and/or the involved member and should provide all relevant information in that regard, including the relevant information pertaining to his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the Chair of the Supervisory Board has a conflict of interest or potential conflict of interest, he should report this to the Vice-chair of the Supervisory Board without delay. The Supervisory Board shall decide, outside the presence of the Supervisory Board member concerned, whether there is a conflict of interest.
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- 17.5 The respective Supervisory Board member will not be included in the decision-making process relating to the matter with respect to which he or she has a conflicting interest.
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- 17.6 A Supervisory Board member shall not take part in any deliberation and decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company.
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- 17.7 All transactions in which there are conflicts of interest with Supervisory Board members shall be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or to the relevant Supervisory Board members should require the approval of the Supervisory Board. Such transactions shall be published in the management report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 of the Dutch Corporate Governance Code have been complied with.
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- 17.8 All transactions between the Company and legal or natural persons who hold at least ten per cent of the shares in the Company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the Company and/or to such persons should require the approval of the Supervisory Board. Such transactions shall be published in the management report, together with a declaration that best practice provision 2.7.5 has been complied with.
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- 17.9 The Company does not provide any personal loans, guarantees, etc. to members of the Supervisory Board unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board. No remission of loans should be granted.
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Remuneration of the Supervisory Board members

- 18.1 The remuneration of the members of the Supervisory Board is determined by the AGM. The Supervisory Board should submit a clear and understandable proposal for its own appropriate remuneration to the AGM. The remuneration of Supervisory Board members shall promote an adequate performance of their role and will not be linked to the Company's operating profit (or other results).
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- 18.2 The remuneration of the Supervisory Board members shall reflect the time spent and the responsibilities of their role.
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- 18.3 No shares or rights to shares in the Company may be awarded to members of the Supervisory Board.
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Holding and trading securities

- 19.1 Shares held by a Supervisory Board member in the Company on whose Supervisory Board they serve should be long-term investment.
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- 19.2 The members of the Supervisory Board are bound to the regulations regarding insider knowledge of the Company, in connection with the holding and trading of securities of the Company.
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- 19.3 Each member of the Supervisory Board undertakes to notify, within one month after the end of each calendar year, the Compliance Officer (under the Company's "Insider Trading Regulations") of the Company of changes, if any, in his or her holdings of financial instruments that relate to listed companies with significant activities in the sector in which the Company operates, including companies that are active as a supplier to the Company. The provisions included in this article do not apply if a transaction is carried out, for the account and risk of a member of the Supervisory Board pursuant to a written agreement for a mandate, by a financial business which is permitted pursuant to the Financial Supervision Act (*WFT*) to manage private assets, if it is provided in that agreement that the member of the Supervisory Board as principal cannot exert an influence on transactions that the financial business carries out as an authorised party.
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Induction program, ongoing training and education

- 20.1 All Supervisory Board members shall follow an induction program geared to their role. The induction program shall in any event cover general financial, social and legal affairs, financial reporting by the Company, any specific aspects that are unique to the Company and its business activities, the Company culture and the relationship with the employee participation body, and the responsibilities of a Supervisory Board member.
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20.2 The Supervisory Board shall conduct an annual review for their own organ to identify any aspects with regard to which the Supervisory Board members require training or education.

Other positions

21.1 Supervisory Board members shall report any other positions they may have to the Supervisory Board in advance and, at least annually, the other positions should be discussed at the Supervisory Board meeting.

21.2 If the Chair determines that such other positions could result in a conflict of interest, the matter shall be discussed by the Supervisory Board in accordance with clause 16. If such conflict concerns the Chair, he will inform the Vice-chair who then carries out the task of the Chair as referred to in the previous sentence. The Company secretary shall keep a list of the outside positions concerned of each Supervisory Board member.

21.3 A member of the Supervisory Board will hold no more than five supervisory memberships of boards of Dutch large companies or large foundations, with a chairmanship counted twice.

Confidentiality

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

Miscellaneous

23.1 Anyone who is appointed as a Supervisory Board member must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of these regulations and pledge to the Company that he will comply with the provisions of these regulations. These regulations are also applicable to anyone who is designated as a substitute member for a Supervisory Board member in absence or prevented from acting.

23.2 The Supervisory Board is allowed, in exceptional cases, to decide on an incidental basis not to observe these regulations, whilst continuing to observe the applicable legislation and regulations.

23.3 These regulations may be amended by the Supervisory Board at its sole discretion without prior notification. Prior to amendment of these regulations the Management Board shall be consulted.

23.4 In case of uncertainty or difference of opinion on how a provision of these regulations should be interpreted, the opinion of the Chair shall be decisive.

23.5 If one or more provisions of these regulations are or become invalid, this shall not affect the validity of the remaining provisions. The Supervisory Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these regulations is, to the greatest extent possible, similar to that of the invalid provisions.

Governing Law

24.1 These Supervisory Board Regulations are governed by Dutch Law. The courts of the Netherlands have exclusive jurisdiction to settle any dispute arising from or in connection with these regulations (including any dispute regarding the existence, validity or termination of these regulations).

24.2 These regulations are complementary to the provisions governing the Supervisory Board as contained in Dutch law, other applicable Dutch or EU regulations and the articles of association. Where these regulations are inconsistent with Dutch law, other applicable Dutch or EU rules and regulations or the articles of association, the latter shall prevail. Where these regulations are consistent with the articles of association but inconsistent with Dutch law or other applicable Dutch or EU rules and regulations, the latter shall prevail.
