

GRONTMIJ N.V.

SUPERVISORY BOARD REGULATIONS

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INTRODUCTION

- 0.1 These regulations have been drawn up in accordance with the provisions of Article 30(10) of the company's articles of association and Best Practice Clause III.1.1 of the Corporate Governance Code of the Netherlands.
- 0.2 These regulations supplement those provisions of the applicable legislation and regulations governing the Supervisory Board and its members, the company's articles of association and those rules governing the relationship between the Executive and Supervisory Boards which are part of the Supervisory Board Regulations (which have been approved by the Supervisory Board).
- 0.3 These regulations shall be placed on the company's website.
- 0.4 The meaning of a number of the terms which are used in these regulations, and which may or may not be written with a capital letter, is provided in the Definitions contained in **Annex 1**.

CHAPTER I MEMBERSHIP OF THE SUPERVISORY BOARD, ITS DUTIES AND COMMITTEES

1. Profile of the Supervisory Board, its size, expertise and impartiality

- 1.1 The Supervisory Board shall draw up a profile of its size and membership having regard to the nature of the business conducted by the company and its subsidiaries, and the expertise and background required on the part of the members of the Supervisory Board. The current Supervisory Board profile is set out in **Annex 2**. This Supervisory Board profile can be obtained upon application in writing to the company (addressed to the attention of the company secretary) and shall be placed on its website.
- 1.2 The Supervisory Board shall determine the number of its members after consultation with the chairman of the Executive Board, and this number shall amount to no more than six and no less than three.
- 1.3 Acting within the confines of its powers, the Supervisory Board shall do all in its power to ensure that its membership is made up in such a way that at all times:
 - (a) the members are able to act impartially and critically in relation to each other, the Executive Board and any subsidiary interest whatsoever;
 - (b) every member of the Supervisory Board is fit to assess the company's overall policy;
 - (c) every member of the Supervisory Board possesses the specific expertise which he requires to perform his duties as part of his role within the context of the Supervisory Board profile;
 - (d) as a whole the Supervisory Board corresponds to its profile and its membership is able to perform its duties properly;

- (e) at least one member of the Supervisory Board is a financial expert, which means that this person has the relevant expertise and experience in the field of administration and accounting in listed companies or other large legal entities;
- (f) all of the members of the Supervisory Board with the exception of no more than one person are impartial as referred to in Article 1.4 of these regulations;
- (g) the members of the Supervisory Board comply with the limitations placed on them with regard to the nature and number of their other positions, which are stipulated in Article 22.1 of these regulations.

1.4 A member of the Supervisory Board shall be deemed to be impartial, if the criteria referred to below do not apply to him. The aforementioned criteria entail that the relevant member of the Supervisory Board, his spouse, registered or other partner, foster child or relative by blood or marriage to the second degree:

- (a) has been an employee or director of the company or an associated company in the five years prior to the appointment of the relevant person to membership of the Supervisory Board;
- (b) personally receives financial payment from the company or an associated company other than that received by a member of the Supervisory Board for the work he performs, in so far as it is not part of the normal conduct of business;
- (c) has had an important business relationship with the company or an associated company in the year prior to such appointment;
- (d) is a member of the board of management of a company in which a member of the Supervisory Board is a supervisory director;
- (e) holds at least 10% of the shares in the company's capital (including any shares which are held by any natural or legal person who works together with the person concerned under the terms of an explicit or tacit oral or written agreement);
- (f) is an executive or supervisory director or some other representative of a legal entity which holds at least 10% of the company's shares, unless it is a group company; or
- (g) has temporarily been responsible for the management of the company during the preceding 12 months when the members of the Executive Board were absent or indisposed.

2. Appointment, reappointment, term of office and retirement

2.1 The General Meeting of Shareholders shall appoint the members of the Supervisory Board where a proposal to that effect (either binding or non-binding) has been made by the Supervisory Board.

2.2 When a member of the Supervisory Board is recommended or proposed for appointment, particulars shall be stated in respect of his age, his profession, the nominal amount of shares in the capital of the company he holds or depository receipts thereof, and his present and past functions insofar as the same are of interest in connection with the performance of the duties of a member of a Supervisory Board. Legal persons of which he is already a Supervisory

Board member shall also be mentioned. If there are companies amongst the same which belong to the same group, it shall be sufficient to name such group. Reasons shall be given for recommendations for nominations and proposals for appointment or reappointment.

- 2.3 The appointment or reappointment of a member of the Supervisory Board must be effected in accordance with the provisions of Article 1 of these regulations, including the Supervisory Board profile. In the case of a reappointment, consideration shall be given to the manner in which the candidate has performed his duties as a supervisory director in the preceding period. A member of the Supervisory Board shall only be reappointed after careful consideration.
- 2.4 The members of the Supervisory Board may be appointed for a maximum of three terms of four years.
- 2.5 The members of the Supervisory Board shall retire periodically in accordance with a retirement schedule which it compiles, so as to prevent many of its members from retiring simultaneously as far as possible. The current retirement schedule is set out in **Annex 3**. The Supervisory Board shall be entitled to amend this schedule at any time. Nevertheless, an amendment of this schedule may not entail that a sitting member of the Supervisory Board remains in office for a term in excess of that for which he has been appointed, or ceases to occupy his position against his will before that term expires. The retirement schedule may be obtained upon application in writing to the company (addressed to the attention of the company secretary) and shall be posted on its website.
- 2.6 A member of the Supervisory Board shall retire prematurely in the event that his performance is inadequate, he has a structural conflict of interests or if the Supervisory Board should deem this to be necessary for some other reason.
- 2.7 A member of the Supervisory Board who is temporarily responsible for management when the members of the Executive Board are absent or indisposed, shall resign from the Supervisory Board in order to assume his managerial duties.

3. CHAIRMAN and deputy chairman of the Supervisory Board

- 3.1 The Supervisory Board shall appoint one of its number to serve as its chairman and another as its deputy chairman. The deputy chairman shall deputise for the chairman in the latter's absence and shall assume his powers and duties in this case. The chairman of the Supervisory Board may not be a former member of the Executive Board.
- 3.2 The chairman of the Supervisory Board shall be primarily responsible for the performance of the latter and its committees. He shall act as a spokesperson for the Supervisory Board and shall serve as the main contact person for the chairman of the Executive Board and the latter as a whole. The chairmen of the Executive and Supervisory Boards shall consult each other regularly. In principle, a General Meeting of Shareholders shall be chaired by the chairman of the Supervisory Board.
- 3.3 Subject to the general purport of Article 3.2, the chairman of the Supervisory Board shall ensure that:
 - (a) the members of the Supervisory Board attend an introductory programme following their first appointment and thereafter educational or training programmes as required;

- (b) the members of the Supervisory Board receive the information which they require in order to perform their duties properly and on time;
- (c) there is sufficient time for the Supervisory Board to deliberate and take decisions;
- (d) the committees function properly;
- (e) the performance of the members of the Executive and Supervisory Boards is assessed at least once every year;
- (f) the Supervisory Board elects a deputy chairman; and
- (g) there is proper contact between the Supervisory Board, and the Executive Board and Works Council.

3.4 Furthermore, the chairman of the Supervisory Board shall bear primary responsibility for:

- (a) ensuring that the Supervisory Board discharges its duties properly;
- (b) preparing the agenda for the meetings of the Supervisory Board and chairing such meetings;
- (c) consulting any external consultants appointed by the Supervisory Board;
- (d) resolving any difficulties involving the performance of individual members of the Supervisory Board; and
- (e) dealing with any internal disputes and situations involving a conflict of interests between individual members of the Supervisory Board and, if applicable, the consequent resignation of any of its members.

4. Company secretary

4.1 The Supervisory Board shall be assisted by the company secretary who is appointed in accordance with the provisions of Article 4 of the Executive Board Regulations.

4.2 All of the members of the Supervisory Board shall have access to the advice and services provided by the company secretary.

4.3 The company secretary shall ensure that the appropriate procedures are followed and that there is compliance with the duties of the Supervisory Board under the law and the company's articles of association. The company secretary shall assist the chairman of the Supervisory Board to arrange any matter affecting the Supervisory Board (the dissemination of information, preparing agendas, taking minutes at meetings, evaluation, training programmes and so forth). As such, the company secretary shall also serve as a secretary to the Supervisory Board.

4.4 The company secretary shall be entitled to delegate all or some of his duties pursuant to these regulations to a deputy whom he appoints in consultation with the chairman of the Supervisory Board.

4.5 The company secretary shall also perform work for the Executive Board as provided for in the Executive Board Regulations.

5. Committees

5.1 The Supervisory Board may appoint permanent and/or ad hoc committees made up of its members and may require them to perform any duties it stipulates. The members of any such committee shall be determined by the Supervisory Board. At any rate, the latter shall appoint an audit committee, and an appointment and remuneration committee.

5.2 The Supervisory Board shall remain collectively responsible for any decisions which are prepared by its committees. A committee shall only be entitled to exercise those powers which the Supervisory Board explicitly confers on or delegates to it, and under no circumstances may it exercise any powers which exceed those which the Supervisory Board is entitled to exercise collectively.

5.3 Each committee shall be required to provide the Supervisory Board with clear, timely information about the manner in which it exercises its delegated powers and any important developments which occur within a field that falls under its responsibility. All of the members of the Supervisory Board shall enjoy unfettered access to all of the meetings and information of these committees. The Supervisory Board shall receive a report from each committee covering its deliberations and findings within the period stipulated in the regulations governing the committee concerned.

5.4 The Supervisory Board shall draw up regulations for each committee and shall be entitled to amend same at any time. These regulations shall specify the role and responsibilities of the relevant committee, its composition and the manner in which it performs its duties. At any rate, these regulations shall include a clause to the effect that no more than one member of each committee needs not be impartial under the terms of Article 1.4 of these regulations. A specific committee's regulations may include additional rules governing its composition.

5.5 The regulations and membership of these committees shall be posted on the company's website.

5.6 In principle, the Supervisory Board shall not have a 'delegated supervisory director'. Nonetheless, in special circumstances the Supervisory Board may decide to appoint a 'delegated supervisory director', in which case Best Practice Clause III.6.6 of the Corporate Governance Code of the Netherlands shall apply in full.

CHAPTER II POWERS AND DUTIES

6. General powers and duties, and dealings with the Executive Board

6.1 The Supervisory Board has a duty to monitor the policy pursued by the Executive Board and the general situation prevailing in the company and its associated companies. The Supervisory Board shall assist the Executive Board by providing it with advice. The Supervisory Board shall be collectively responsible for performing its duties.

- 6.2 When performing its duties the Supervisory Board shall focus on the interests of the company and its associated companies, and to this end it shall weigh up any interests of those involved with the company which qualify for this. The members of the Supervisory Board shall perform their duties without a mandate and independently of the subsidiary interests involving the company. They shall not support any particular interests without also considering others which are involved.
- 6.3 The Supervisory Board shall be responsible for the quality of its own performance.
- 6.4 In its external dealings the members of the Supervisory Board shall adopt a uniform position in relation to important issues, questions of principle and matters affecting the general interest, while taking into account the responsibility of its individual members.
- 6.5 Acting of its own volition, the Executive Board shall ensure the timely provision of the information to the Supervisory Board, its members and committees which they require in order to operate appropriately and to perform their duties properly. As far as possible this information shall be supplied in writing.
- 6.6 The Supervisory Board and its individual members shall themselves also be responsible for seeking all of the information from the Executive Board and the company's external accountant, which it requires in order to perform its duties as a supervisory body properly. Should the Supervisory Board deem it necessary to do so, it may obtain information from the company's officials and external consultants. The company shall provide the resources that are required for this purpose. The Supervisory Board may require that certain officials and external consultants attend its meetings.
- 6.7 Every member of the Supervisory Board shall have access to the company's books, information and offices in so far as this is necessary or may be of service to him to ensure the proper performance of his duties. A member of the Supervisory Board shall exercise this right in consultation with its chairman and the company secretary except in so far as anything else arises pursuant to any applicable committee regulations.
- 6.8 Furthermore, while performing its duties the Supervisory Board may obtain assistance or information from one or more experts whom it may appoint in return for a fee agreed with the Supervisory Board beforehand, which fee is to be paid by the company.
- 7. Duties pertaining to the work of the Executive Board**
- 7.1 The Supervisory Board's supervision of the Executive Board shall cover, amongst other things, (i) the achievements of the company's objectives, (ii) the strategy and risks associated with its business operations, (iii) the structure and operation of its internal risk management and controls systems, (iv) the financial reporting process, and (v) compliance with the relevant legislation and regulations.
- 7.2 The Supervisory Board shall regulate the company's financial reporting in accordance with the provisions of Article 10 of these regulations.
- 7.3 No less than once each year the Supervisory Board shall discuss the strategy and risks associated with the business and the findings of the Executive Board's evaluation of the structure and operation of the company's internal risk management and control systems, along with any significant changes to same.

- 7.4 The approval of the Supervisory Board shall be required for any decision taken by the Executive Board concerning:
- (a) the determination of or any change in the company's operational and financial objectives;
 - (b) agreement on or the amendment of the strategy that is to lead to the achievement of these objectives;
 - (c) agreement on or the amendment of the prerequisites that are to apply in respect of this strategy, for example in connection with the company's financial ratios; and
 - (d) the decisions referred to in **Annex 4**.
- 7.5 Every quarter the Executive Board shall supply the following report to the Supervisory Board:
- a report containing detailed information about, amongst other things, the financial situation prevailing and developments occurring in the company and its subsidiaries, mergers, acquisitions, substantial investments, important organisational matters, relevant developments pertaining to regulations and any other relevant matters.

The aforementioned reports shall be drawn up on the basis of the models agreed to by the Executive and Supervisory Boards.

8. Duties pertaining to the members and the performance of the Executive and Supervisory Boards

- 8.1 The Supervisory Board shall perform the following duties in relation to the members of the Executive Board:
- (a) it shall select and make nominations for the appointment of the members of the Executive Board by the General Meeting of Shareholders, present proposals to the General Meeting of Shareholders for the remuneration of these members, and determine the remuneration (in accordance with the terms and conditions of the aforementioned remuneration policy) and the terms of service agreed on with those members;
 - (b) it shall determine the number of members of the Executive Board, appoint the latter's chairman, approve (or propose, where useful) any changes in the division of labour within the Executive Board or amendment of the Executive Board Regulations, assess the performance of the Executive Board and its individual members, and approve the supplementary positions of the members of the Executive Board in so far as this is required pursuant to the Executive Board Regulations; and
 - (c) it shall deal with any cases involving a conflict of interests between the company and members of the Executive Board.
- 8.2 The Supervisory Board shall perform the following duties, in particular, in relation to itself:
- (a) it shall select and make nominations for the appointment of its members by the General Meeting of Shareholders and submit proposals for their remuneration to the General Meeting of Shareholders;

- (b) it shall determine the number of members it has, appoint a chairman and deputy chairman for itself, establish committees and determine their role, evaluate its own performance, and that of its committees and individual members (which includes the evaluation of the Supervisory Board profile and its introductory, educational and training programmes), and it shall approve any other positions held by its members in so far as this is required under the terms of Article 22 of these regulations; and
- (c) it shall deal with any cases involving a conflict of interests between the company and its members.

8.3 No less than once every year the Supervisory Board, acting in the presence of the Executive Board, shall discuss its own performance, and that of its committees and individual members, along with any conclusions which need to be drawn in this respect. Furthermore, it shall discuss its required profile, and its composition and competency. In addition, no less than once each year the Supervisory Board, acting in the absence of the Executive Board, shall discuss the latter's performance as a group and that of its individual members, along with any conclusions which need to be drawn in this respect.

9. Other specific duties of the Supervisory Board

9.1 The Supervisory Board shall also perform the following other duties:

- (a) duties relating to the company's external accountant as provided for in Article 11 of these regulations and those of the audit committee;
- (b) handling complaints dealing with any alleged irregularities concerning the performance of members of the Executive Board;
- (c) taking action to manage the company temporarily in the event that the members of the Executive Board are absent or indisposed;
- (d) any other duties which have been assigned to the Supervisory Board under the law, the company's articles of association, these Regulations and those of any committee, or the Executive Board Regulations.

9.2 The Supervisory Board shall draw up a report which shall constitute part of the company's annual records, and in which the Supervisory Board shall report on the work it performed during the relevant financial year, and it shall also include the specific statements and notices summarised in **Annex 5**.

9.3 Together with the Executive Board, the Supervisory Board shall be responsible for the company's corporate government structure and its compliance with the Corporate Governance Code of the Netherlands and other applicable legislation and regulations.

10. Supervision of financial reporting

10.1 The Supervisory Board shall supervise compliance with those internal procedures which the Executive Board has established for the preparation and publication of the annual report and financial statements, the quarterly and half-yearly figures and any incidental financial information. Furthermore, the Supervisory Board shall supervise the establishment and enforcement of internal control mechanisms for external financial reporting as provided for in Article 7.1 of the Executive Board Regulations.

- 10.2 The audit committee shall regularly provide the Supervisory Board with reports on the company's financial statements, and quarterly and half-yearly reports, doing so as promptly as possible on each occasion, following which they shall be discussed in a meeting of the Supervisory Board. Within five months after the end of a financial year the financial statements and annual report shall be discussed in a meeting with the Executive Board. The company's half-yearly and quarterly figures shall be discussed in a meeting between the Supervisory and Executive Boards within two months after the end of the relevant period. These meetings shall be prepared by the audit committee.
- 10.3 The external accountant shall at any rate attend that part of the meeting of the Supervisory Board in which the report on his audit of the financial statements is discussed and a decision is made as to whether to approve those statements. The external accountant shall receive the financial information which constitutes the basis for determining the quarterly and/or half-yearly figures and any other interim financial reports, and shall be afforded the opportunity to respond to all of this information. The external accountant shall report the findings of his audit of the financial statements simultaneously to the Executive and Supervisory Boards.
- 10.4 In principle, contact between the Supervisory Board and the external accountant shall be routed through the chairman of the Supervisory Board's audit committee. The latter shall act as the initial point of contact for the external accountant, if he discovers any irregularities in the contents of the financial reports.
- 10.5 The Supervisory Board shall ensure that any recommendations made by the external accountant are carefully considered by itself and the Executive Board, and to the extent that they are accepted, are actually implemented by the latter, supervision of which may be delegated to the Supervisory Board's audit committee.

11. Duties pertaining to the appointment and assessment of the external accountant

- 11.1 The General Meeting of Shareholders shall appoint an external accountant. The Supervisory Board shall nominate a candidate for the General Meeting of Shareholders to appoint and may recommend that the external accountant be replaced, in respect of which both the audit committee and the Executive Board shall present advice to the Supervisory Board.
- 11.2 A decision to engage an external accountant to perform non-audit-related work and to remunerate him for this shall be approved by the Supervisory Board based on a proposal submitted by the audit committee following consultation with the Executive Board.
- 11.3 The Executive Board and the audit committee shall present annual and, where necessary, interim reports to the Supervisory Board concerning developments relating to the external accountant including, in particular, his independence (including the advisability of rotating those partners in the external accountant's office who are responsible, and of having the external accountant who is charged with conducting audits, perform non-audit-related work for the company as well). The Supervisory Board shall base its nomination for the General Meeting of Shareholders to appoint an external accountant partly on this.
- 11.4 No less than once every four years the Executive Board and the audit committee shall thoroughly assess the performance of the external accountant within the varying entities and capacities in which he serves. The most important conclusions drawn in this respect shall be communicated to the General Meeting of Shareholders for the purposes of assessing any nomination for the appointment of an external accountant.

- 11.5 With regard to the impartiality of the external accountant and any conflict of interests (potential or otherwise) between the latter and the company, action shall be taken in accordance with the policy set out in **Annex 6** or, in so far as it makes no provision for this, in a manner to be determined by the Supervisory Board based on a proposal submitted by the audit committee. The members of the Executive and Supervisory Boards shall be required to notify the chairman of the audit committee about any matter which could compromise the external accountant's impartiality as required or which could give rise to a conflict of interests (potential or otherwise) between the latter and the company, once they are aware of same.
- 11.6 When an external accountant is appointed, he shall be asked to present the company with an explicit statement to the effect that he has taken cognisance of (i) the company's policy as set out in Article 11.5 and Annex 6, and (ii) what is also stipulated in the Executive Board Regulations, these regulations and those of the audit committee, that he consents to them, and that he will do all in his power to assist with their implementation.

12. Remuneration of the members of the Executive Board

- 12.1 Every year the remuneration committee shall draw up a remuneration report on behalf of the Supervisory Board, which shall contain details of the manner in which the company's remuneration policy was implemented in practice in the past financial year, as well as an overview of how the Supervisory Board envisages what this policy will mean for the members of the Executive Board in the next and subsequent financial years. This overview shall at the very least contain the information specified in **Annex 7**. The remuneration report shall be posted on the company's website.
- 12.2 The remuneration policy which the remuneration report envisages for the next and subsequent financial years shall be presented to the General Meeting of Shareholders for its adoption. Any amendment of this remuneration policy shall also be presented to the General Meeting of Shareholders for its adoption. Any arrangements for members of the Executive Board to be remunerated in the form of shares or rights to acquire same, as well as any major amendment of such arrangements, shall be presented to the General Meeting of Shareholders for its approval.
- 12.3 The Supervisory Board shall determine the remuneration of the individual members of the Executive Board based on a proposal submitted by the remuneration committee but within the confines of the remuneration policy approved by the General Meeting of Shareholders.
- 12.4 The most important aspects of a contract entered into by the company and a member of the Executive Board shall be published immediately after it has been concluded, by posting details of them on the company's website. They shall at any rate include the amount of his fixed salary, the structure and amount of any variable component of his remuneration, any severance package, pension entitlements and performance criteria.
- 12.5 In the event that a current or former member of the Executive Board receives special remuneration or is paid an extraordinary fee during a financial year, an explanation for such remuneration or fee shall be provided in the remuneration report. This report shall at any rate give account and provide an explanation for any payment made or promised to a member of the Executive Board during the financial year by way of severance pay.

13. Dealings with the shareholders

- 13.1 As the case may be, the Supervisory Board shall equally and simultaneously notify all of the shareholders and other parties that are active in the financial market about any matters which could have an effect on the company's share price.
- 13.2 The Executive and Supervisory Boards shall supply the General Meeting of Shareholders with all of the information which it requires in order to exercise its powers.
- 13.3 The Executive and Supervisory Boards shall supply the General Meeting of Shareholders with all of the information which it requires, unless any pressing interests of the company oppose this. In the event that the Executive and Supervisory Boards rely on such pressing interests, a reasoned explanation shall be cited in support of this.
- 13.4 In the event that any legislation or the company's articles of association confers or confer a right of approval on the General Meeting of Shareholders, or the Executive or Supervisory Board requests the delegation of powers, the Executive and Supervisory Boards shall notify the General Meeting of Shareholders by means of a 'shareholder circular' of all of the facts which are relevant for the purposes of granting its approval, delegating its powers or conferring a power of attorney. This shareholder circular shall at any rate be published on the company's website as of the time that the General Meeting of Shareholders in which the relevant proposal is to be considered, is called, until the end of that meeting. Such a shareholder circular may take the form of notes on the agenda of the General Meeting of Shareholders.
- 13.5 The Executive and Supervisory Boards shall ensure compliance with the applicable legislation and regulations governing the rights of the General Meeting of Shareholders and any associated rights of individual shareholders.
- 13.6 The members of the Executive Board shall attend the General Meeting of Shareholders unless they are prevented from doing so due to special circumstances.
- 13.7 General Meetings of Shareholders shall be chaired by the chairman of the Supervisory Board or, in his absence, its deputy chairman. The Supervisory Board may appoint someone else to chair a meeting.
- 13.8 The Supervisory Board shall endeavour to ensure that the minutes of a General Meeting of Shareholders are made available to the company's shareholders by publishing them on the company's website by no later than three weeks after the end of the meeting concerned, following which there shall be three months within which the shareholders shall have the opportunity to respond to these minutes in writing (addressed to the attention of the company secretary). These minutes shall then be approved in the manner stipulated in the company's articles of association, namely, by the chairman and secretary of the meeting in question. What is stipulated above in this article (13.8) may be ignored, if an official notarial report has been prepared of the meeting concerned. Once approved, the minutes of a General Meeting of Shareholders (even if incorporated into an official notarial report) shall be posted on the company's website as soon as possible after they have been approved, at any rate until the end of the first General Meeting of Shareholders which is held subsequently. Furthermore, the details of any decisions taken by a General Meeting of Shareholders shall be posted on the company's website as soon as possible after they have been approved, at any rate until the end of the first General Meeting of Shareholders which is held subsequently.

- 13.9 External evidence of a decision taken by the General Meeting of Shareholders may be provided in the form of a statement issued by the chairman of the Supervisory Board or the company secretary.
- 13.10 The Executive and Supervisory Boards shall ensure that the details of any substantial amendment of the company's corporate governance structure or its compliance with the Corporate Governance Code of the Netherlands are presented to the General Meeting of Shareholders for discussion as a separate item on the agenda.
- 13.11 The Supervisory Board shall ensure that the responsible partner from the external accountant's office attends the General Meeting of Shareholders and is able to address it. The General Meeting of Shareholders may question the external accountant in relation to his auditor's report concerning the financial statements.

14. Dealings with the Works Council

The Supervisory Board shall maintain contact with the Works Council in accordance with the relevant provisions of the *Wet op de ondernemingsraden* [Works Councils Act].

CHAPTER III MEETINGS OF THE SUPERVISORY BOARD AND DECISION-MAKING

15. Calling meetings, and their frequency, agenda and venue

- 15.1 The Supervisory Board shall meet as often as it needs to in order to ensure that it can act properly. It shall meet no less than five times each year. As far as possible these meetings shall be scheduled a year in advance. Furthermore, the Supervisory Board shall meet in the interim, if its chairman or a member of the Supervisory or Executive Board deems this to be necessary.
- 15.2 In principle, the meetings of the Supervisory Board shall be convened by the company secretary in consultation with the chairman of the Supervisory Board. Except in emergencies, such to be determined at the discretion of the chairman of the Supervisory Board, the agenda for a meeting shall be sent to the members of the board no less than five calendar days before it is due to meet. As much written explanation as possible and relevant documents shall accompany each item on the agenda. In principle, the chairman of the Supervisory Board shall consult the chairman of the Executive Board before a meeting is called.
- 15.3 Every member of the Supervisory Board, the chairman of the Executive Board and the latter as a whole shall be entitled to require that an item be placed on the agenda of a meeting of the Supervisory Board.
- 15.4 In general, the meetings of the Supervisory Board shall be held in the company's office, although they may also be held elsewhere. The meetings of the Supervisory Board may also be held by means of a conference call, video conferencing or any other means of communication, provided that those attending are able to communicate with each other simultaneously.

16. Attendance of and access to meetings

- 16.1 The Executive Board shall be asked to attend as many of the meetings of the Supervisory Board as possible in so far as the latter does not indicate that it wishes to meet in the absence of the Executive Board.
- 16.2 A member of the Supervisory Board may arrange to be represented in its meetings by another member of the board by means of a written proxy. Such written proxy must be submitted to the company secretary before the meeting concerned.
- 16.3 In the event that a member of the Supervisory Board is regularly absent from its meetings, its chairman may call him to account for this.
- 16.4 Any decision concerning the admission to a meeting of any person other than the members of the Supervisory Board, the company secretary or the members of the Executive Board shall be taken by a majority of the votes cast by those members of the Supervisory Board who are present or represented in that meeting.

17. Chairman of the meeting and minutes

- 17.1 The meetings of the Supervisory Board shall be chaired by its chairman or, in the event that he is absent, its deputy chairman. If both of them are absent, the meeting shall be chaired by one of the other members of the Supervisory Board who is appointed by a majority of the votes cast by those of the members of the Supervisory Board who are present or represented in that meeting.
- 17.2 Minutes shall be taken of the proceedings of a meeting of the Supervisory Board by the company secretary or any other person appointed for this purpose by the chairman of that meeting. These minutes shall clarify the decision-making in the meeting and shall be approved by the Supervisory Board in the same or the next meeting.

18. Decision-making within the Supervisory Board

- 18.1 As far as possible the members of the Supervisory Board shall endeavour to take decisions unanimously.
- 18.2 Every member of the Supervisory Board shall have one vote.
- 18.3 The Supervisory Board shall make its decisions by a majority of the votes cast in the event that it does not appear to be possible to make a unanimous decision, and no larger majority is stipulated by the law, the company's articles of association or these regulations. In the event of a tied vote the chairman of the Supervisory Board shall have a casting vote. The Supervisory Board shall only be entitled to take decisions, if a majority of its members who still hold office, are present or represented.
- 18.4 In principle, decisions shall be made by the Supervisory Board when it meets.
- 18.5 The Supervisory Board may also take a decision in writing, provided that the relevant proposal is presented to all of its members who still hold office, and none of them object to this manner of decision-making. Where a decision is taken in writing, this must occur by means of written declarations made by all of the members of the Supervisory Board. Any declaration made by a member of the Supervisory Board who wishes to abstain from voting

on a decision taken in writing, must also state that he does not object to this manner of decision-making.

- 18.6 The Supervisory Board may act contrary to the provisions of Articles 18.3 (final sentence), 18.4 and 18.5, if its chairman deems it necessary to do so in view of the pressing nature or other circumstances of the case, provided that all of the members of the Supervisory Board are given the opportunity to participate in such decision-making. The chairman of the Supervisory Board and the company secretary shall take minutes of any decision taken in this manner, and they shall be added to the documents intended for the next meeting of the Supervisory Board.
- 18.7 External evidence of a decision taken by the Executive Board may be provided in the form of a statement issued by its chairman or the company secretary.

CHAPTER IV OTHER PROVISIONS

19. Conflict of interests on the part of members of the Supervisory Board

- 19.1 A member of the Supervisory Board shall immediately notify its chairman of any actual or potential conflict of interests he may have, which is of material significance to the company and/or himself, and shall provide all relevant information concerning same, including any pertaining to his spouse, registered or other partner, foster child or relative by blood or marriage to the second degree. The Supervisory Board shall decide in the absence of the member concerned whether there is a conflict of interests.
- 19.2 A conflict of interests shall at any rate exist where the company is planning to enter into a transaction with a legal entity (i) in which a member of the Supervisory Board personally holds a material financial interest, (ii) a member of whose board of management is related to a member of the Supervisory Board in accordance with family law, or (iii) a member of the Supervisory Board holds an executive or supervisory position.
- 19.3 A member of the Supervisory Board shall not participate in any discussion and decision-making involving an issue or transaction in respect of which he has a conflict of interests with the company.
- 19.4 Any transaction in which a conflict of interests involving a member of the Supervisory Board plays a role shall be agreed subject to those conditions which are customary in the case of transactions which conform with market practice in the industry in which the company and its subsidiaries operate. The approval of the Supervisory Board shall be required for any decision to enter into a transaction involving a conflict of interests on the part of such person which is of material significance to the company and/or the relevant members of the Supervisory Board.

20. Remuneration of the members of the Supervisory Board

- 20.1 The General Meeting of Shareholders shall determine the remuneration of the members of the Supervisory Board. The latter shall present proposals to the General Meeting of Shareholders for this purpose from time to time.

- 20.2 The remuneration of the members of the Supervisory Board shall not depend on the operating results achieved by the company. The members of the Supervisory Board shall not be remunerated in the form of shares in the company's capital and/or rights to acquire such shares.
- 20.3 Apart from remuneration, any reasonable expenses shall be paid, which are incurred by the members of the Supervisory Board in connection of their attendance of meetings. The chairman of the Supervisory Board (or, if the chairman of the Supervisory Board is involved, its deputy chairman) shall determine whether any costs that have been incurred, are reasonable. All or some of any other expenses shall only be paid, if they have been incurred with the consent of the chairman of the Supervisory Board or the company secretary acting on his behalf (or, if the chairman of the Supervisory Board is involved, its deputy chairman or the company secretary acting on his behalf).
- 20.4 The company and its subsidiaries shall not provide any personal loans, guarantees and the like to the members of the Supervisory Board, unless this occurs in the normal conduct of business with the approval of the Supervisory Board. Loans may not be remitted.

21. Introductory programme, training and education

- 21.1 After being appointed for the first time all of the members of the Supervisory Board shall attend an introductory programme, which shall at any rate devote attention to general financial and legal affairs, the company's financial reporting regime, specific aspects which are unique to the company and its business operations, and the responsibilities of a member of the Supervisory Board.
- 21.2 Every year the Supervisory Board shall assess in respect of which aspects its members require additional training or education during the term of their appointment.
- 21.3 The company shall play a facilitative role in the aforementioned introductory programmes, training and education, and shall bear the costs involved.

22. Other positions

- 22.1 The members of the Supervisory Board shall limit the number and nature of their other positions to such an extent that they can ensure that they are able to perform their duties properly. They may be members of no more than five supervisory boards of companies listed in the Netherlands. In this respect, chairing a supervisory board shall count as two.
- 22.2 The members of the Executive Board shall be required to inform the chairman of the Supervisory Board and the company secretary of any other positions they hold, which could be relevant to the company or the performance of their duties, before they accept such other positions. In the event that the chairman of the Supervisory Board is of the opinion that there is a risk of a conflict of interests, the matter shall be discussed by the Supervisory Board in accordance with the provisions of Article 19 of these regulations. The company secretary shall maintain a list of any other relevant positions which are held by each member of the Supervisory Board.

23. Holdings of and transactions involving securities

- 23.1 Any shares may be held by a member of the Supervisory Board by way of a long-term investment.

- 23.2 The members of the Supervisory Board shall be required to comply with the company's *Reglement Voorwetenschap* [Insider Trading Regulations] in respect of securities belonging to the company and any others referred to in those regulations. These regulations shall be posted on the company's website.
- 23.3 The Supervisory Board shall draw up regulations containing rules governing securities held and transactions involving securities entered into by the members of the Supervisory and Executive Boards other than as provided for in the company's *Reglement Voorwetenschap*. These regulations shall be posted on the company's website.
- 23.4 A member of the Supervisory Board shall report his holdings of securities in Dutch listed companies to the compliance officer periodically but no less than once every quarter. Any member of the Supervisory Board who only invests in investment funds or who has transferred the free disposal over his securities portfolio to some other independent party by means of a written agency agreement, shall be exempt from the latter provision.

24. Confidentiality

Every member of the Supervisory Board shall undertake, both while he is a member of it and also thereafter, not to disclose in any way whatsoever information of a confidential nature about the business of the company and/or any companies in which it has an interest, which information comes to such member's knowledge in the course of performing his duties for the company, and which he knows or should know is confidential, unless he is required to do so by law. Nonetheless, a member of the Supervisory Board shall be entitled to disclose any of the aforementioned information to members of the Executive or Supervisory Board, as well as members of the corporate staff of the company and any companies in which it has an interest, who need to be given the information concerned in view of the work that they perform for the company and those companies in which it has an interest. Under no circumstances whatsoever may a member of the Supervisory Board use any of the aforementioned information for personal gain.

25. Miscellaneous

- 25.1 **Consent of the members of the Supervisory Board.** Any person who is appointed to serve as a member of the Supervisory Board, shall declare to the company in writing upon taking up his position, that he accepts and consents to these regulations, and shall give the company an undertaking that he will comply with their provisions.
- 25.2 **Incidental non-compliance.** Subject to the applicable legislation and regulations, the Supervisory Board may decide not to comply with these regulations in incidental circumstances.
- 25.3 **Amendments.** The Supervisory Board may amend these regulations from time to time without giving prior notice thereof. Before amending these regulations it shall consult the Executive Board.
- 25.4 **Interpretation.** In the event of any confusion or difference of opinion concerning the meaning of any provisions of these regulations, a ruling by the chairman of the Supervisory Board in this respect shall be decisive.
- 25.5 **Governing law and jurisdiction.** These regulations shall be governed by and construed in accordance with the law of the Netherlands. Only a Dutch court of law shall have jurisdiction

to adjudicate any dispute arising pursuant to or in connection with these regulations (including any dispute concerning the existence, validity and termination of these regulations).

- 25.6 **Complementary with Dutch law and the company's articles of association.** These regulations are deemed to complement the provisions of the law of the Netherlands, or the applicable Dutch or EU regulations and the company's articles of association in respect of the Executive Board. In the event of a conflict between these regulations and the law of the Netherlands, or the applicable Dutch or EU regulations and the company's articles of association, the latter shall prevail. Where these regulations accord with the company's articles of association but conflict with the law of the Netherlands or any other applicable Dutch or EU regulations, the latter shall prevail.
- 25.7 **Partial nullity.** In the event that one or more clauses of these regulations are or become null and void, this shall not affect the validity of the remaining provisions. The Supervisory Board may replace any invalid clauses with valid ones, the implications of which shall as far as possible coincide with those of the invalid clauses, given the nature and purpose of these regulations.

ANNEX 1

DEFINITIONS

1. The following terms bear the meanings assigned to them for the purposes of the Executive and Supervisory Board Regulations:

audit committee means the committee referred to as such in Article 5 of the Supervisory Board Regulations;

General Meeting of Shareholders means the company's general meeting of shareholders;

appointment and remuneration committee means the committee referred to as such in Article 5 of the Supervisory Board Regulations;

committee means, in relation to the Supervisory Board, any committee of the latter referred to in Article 5 of the Supervisory Board Regulations;

subsidiary bears the meaning assigned to it in Section 24a Book 2 Civil Code;

external accountant means the firm of accountants charged with auditing the company's financial statements in accordance with the provisions of Section 393 Book 2 Civil Code;

associated company bears the meaning assigned to it in Section 1 of the *Wet melding zeggenschap in ter beurze genoteerde vennootschappen* [Disclosure of Major Holdings in Listed Companies Act]1996.

group company bears the meaning assigned to it in Section 24b Book 2 Civil Code;

financial statements means the company's **financial statements** as referred to in Section 101 Book 2 Civil Code;

annual report means the company's annual report which is drawn up by the Executive Board and is referred to in Section 101 Book 2 Civil Code;

Works Council means the company's works council;

profile of the Supervisory Board means the profile of the size and composition of the Supervisory Board as set out in Article 1.1 of the Supervisory Board Regulations;

Regulations means, depending on the context, the Executive or Supervisory Board Regulations including any annexes to them;

remuneration report means the remuneration report issued by the Supervisory Board on the company's remuneration policy and prepared by the Supervisory Board's Appointment and Remuneration Committee;

Executive Board means the company's Executive Board;

Supervisory Board means the company's supervisory board;

written means by letter, fax or e-mail or by means of a message which is transmitted through some other normal means of communication and can be received in writing;

company means Grontmij N.V. and where appropriate, its subsidiaries and any other group companies whose financial details are included in the company's consolidated financial statements.

2. Unless the context indicates otherwise, for the purposes of the Executive and Supervisory Board Regulations:
 - (a) any terms and expressions in the singular shall also refer to the plural, and vice versa;
 - (b) any words and terms which are expressed in the masculine, shall also refer to the feminine; and
 - (c) any reference to a provision of the law shall be deemed to be a reference to such provision having regard to any amendment or extension thereof, and any replacement legislation which may apply from time to time.
3. Article and other headings in the Executive and Supervisory Board Regulations have only been included for the purposes of clarity and they do not constitute part of the relevant regulations for the purposes of their interpretation.

ANNEX 2

SUPERVISORY BOARD PROFILE

General

This profile is based on the Supervisory Board Regulations and complies with the applicable legislation and regulations. The terms used in this profile bear the same meaning as in the Supervisory Board Regulations.

This profile serves as a guideline for the composition of the Supervisory Board and the appointment of its members. The Supervisory Board approved this profile on 8 November 2006 following consultation with the Grontmij Management Board and Works Council. It was discussed by the General Meeting of Shareholders on 10 May 2007.

Every year this profile will be evaluated and assessed in the light of social developments and changes in the company's strategy, and will be amended as required.

The Supervisory Board has a duty to monitor the policy pursued by the Management Board and the general state of affairs prevailing in the company and its associated companies. The Supervisory Board assists the Management Board by providing it with advice. Responsibility for the performance of the duties of the Supervisory Board is vested in the latter as a group.

Composition

Subject to the provisions of Articles 1.2 to 1.4 of the Supervisory Board Regulations, the membership of the Supervisory Board will be such that a combination of the experience, expertise and independence of its members will enable it to perform its various duties to the best of its ability. This means that the Supervisory Board as a whole will need to satisfy the following criteria:

- (a) it should have a spread of specific expertise covering one or more aspects of corporate policy;
- (b) its membership should reflect the geographical distribution of Grontmij's operations in Europe (particularly in Belgium, Denmark, Germany, the Netherlands, Sweden and the United Kingdom);
- (c) it should have a spread of social experience;
- (d) it should reflect both regional and international business experience;
- (e) it should include experience of managing listed companies;
- (f) it should have experience in finance and business economics;
- (g) it should have experience which is specific to areas in which Grontmij is or will become active.

Furthermore, the Supervisory Board as a whole should be capable of performing the following duties:

- (a) selecting and establishing an efficient, qualified and competent Management Board;
- (b) monitoring and evaluating the performance of the Management Board;
- (c) determining and assessing the remuneration of the members of the Management Board;
- (d) monitoring, evaluating, advising and providing guidance to the Management Board in relation to strategy, including strategic acquisitions, and the development of Grontmij's financial position, as well as the risks, internal control and other aspects of the company's management.

Nominations

When preparing nominations for the appointment or reappointment of one or more members of the Supervisory Board, consideration will be given to the requirement that one or more of its members should at any rate have considerable expertise in one or more of the following areas:

- (a) commerce, marketing and (international) business;
- (b) finance and economics (see Article 1.3(e) of the Supervisory Board Regulations);
- (c) corporate governance and those aspects of company law governing listed companies;
- (d) politics and government;
- (e) labour matters and social relations, preferable in the business services sector.

Members are required to speak and read the English language excellent.

Committees

At present the Supervisory Board's permanent committees are the audit committee and the appointment and remuneration committee. Each of these committees has its own specific regulations. The latter stipulate the size and composition of these committees.

Other

The Supervisory Board's membership should be such that its members have a healthy confidence in each other, thereby enabling the board to operate as a team.

Without impinging on the Works Council's enhanced right of recommendation, in the case of each nomination for the appointment or reappointment of one or more members of the Supervisory Board the latter will assess its membership in the light of all of the principles underlying the above profile.

Upon his appointment or reappointment, every member of the Supervisory Board is required to consent to the Supervisory Board Regulations in accordance with Article 25.1 of these regulations.

ANNEX 3**SUPERVISORY BOARD RETIREMENT SCHEDULE**

Name	Year of Retirement (during the General Meeting of Shareholders)	Eligible for Reappointment
P. Lindquist	2011	Yes
S.E. Eisma	2013	Yes
J.H.J. Zegering-Hadders	2013	Yes
F.L.V. Meysman	2013	No

ANNEX 4**LIST OF MATTERS REQUIRING THE SUPERVISORY BOARD'S APPROVAL**

The Supervisory Board's approval is required for the following:

- (a) the assignment of duties of the Executive Board to its individual members;
- (b) any transaction involving the company and a natural person or legal entity that holds at least 10% of the company's shares, which is of material significance to the company and/or such person or entity;
- (c) a decision to approve the company's financial and operational objectives, the strategy that has been devised to achieve them, and the prerequisites which apply in relation to this strategy;
- (d) a decision to approve the company's annual budget;
- (e) a decision to acquire a shareholding (including acquisitions) or to dispose of an interest of EUR 5 million or more;
- (f) entering into a long-term (longer than one year) agreement involving an interest of EUR 10 million or more;
- (g) any transaction which involves a conflict of interests on the part of a member of the Executive Board, and which is of a material interest to the company and/or the relevant member of the Executive Board;
- (h) any transaction which involves a conflict of interests on the part of a member of the Supervisory Board, and which is of a material interest to the company and/or the relevant member of the Supervisory Board;
- (i) the appointment and dismissal of the company secretary;
- (j) any other actions for which approval is required under the law, the company's articles of association, the Executive or Supervisory Board Regulations, the Corporate Governance Code of the Netherlands or any other applicable legislation.

ANNEX 5

INFORMATION TO BE INCLUDED IN THE SUPERVISORY BOARD'S REPORT

The Supervisory Board's annual report must at any rate contain the following information:

a reference to discussions of strategy and the risks involved in the business, the findings of any evaluation of the structure and operation of the company's internal risk management and control systems – as well as any significant change to them – which the Executive Board has conducted in the past year;

a mention of those members of the Supervisory Board who have frequently been absent from its meetings;

a statement to the effect that the Supervisory Board is of the opinion that it complies with Article 1.3(f) of the Supervisory Board Regulations, indicating which of its members, if any, must not be deemed to be impartial;

a reference to the discussions referred to in Article 8.3 of the Supervisory Board Regulations;

the Supervisory Board profile;

a reference to any decisions taken by the Supervisory Board pursuant to Articles 25.2 and 25.3 of the Supervisory Board Regulations in so far as they are of material significance;

with regard to each committee, a report on the performance of its duties, details of its existence, composition, the number of meetings it held, and the most important items it discussed;

the following information about each member of the Supervisory Board: (i) his age, (ii) nationality, (iii) date when first appointed and the current term for which he has been appointed, (iv) his primary duties, (v) any other positions he holds in so far as relevant to the performance of his duties as a member of the Supervisory Board; (vi) any company securities he holds, (vii) details of any agreements pursuant to which he will derive an advantage upon the termination of his membership of the Supervisory Board or any other position he holds with the company, (viii) his sex and (ix) his occupation;

the main points of the remuneration report concerning the remuneration policy pursued by the company as prepared by the appointment and remuneration committee.

ANNEX 6

POLICY ON THE INDEPENDENCE OF THE EXTERNAL ACCOUNTANT

This policy was approved by the Supervisory Board on 10 March 2004 based on a proposal submitted by the audit committee following consultation with the Executive Board.

1. Policy

The company and its subsidiaries will utilise the services of an external accountant in so far as this does not compromise the impartiality of this external accountant.

2. Underlying principles

The external accountant must be independent as referred to in the European Commission Recommendation of 16 May 2002 on Statutory Auditors' Independence in the EU and the *Nadere voorschriften inzake onafhankelijkheid van de accountant* [Additional Rules Governing the Independence of Accountants] of NIVRA [Royal Dutch Institute of Chartered Accountants] known as the *NIVRA Voorschriften* [Rules]. These rules are based on the principle that (i) an external accountant must be independent of his auditing clients in respect of both his approach ('in essence') and image ('in appearance'), and (ii) an independent external accountant is someone who, in the light of all of the relevant facts and circumstances, is capable of forming an impartial and objective judgment concerning any matter which falls within the scope of his instructions.

In accordance with the *NIVRA Voorschriften*, an external accountant may not be involved in conducting any audit for the purposes of the law, if he has any financial, business, labour or other relationship with a client, which would threaten his independence based on the judgment of a reasonable, well-informed third party with relevant expertise.

The company requires that an external accountant maintain a proper balance between efficacy and efficiency, for example, in relation to auditing fees, risk management, independence and reliability.

The audit committee will ensure that the external accountant complies with the relevant provisions of the *NIVRA Voorschriften* and the above-mentioned principles in relation to the company and, if required, will ask him for a more detailed explanation and a written statement to the effect that he is complying with the relevant provisions.

3. Approval of the work

In addition to his auditing work, the company's external accountant may also perform non-audit-related work in so far as this is permitted in accordance with the relevant legislation, regulations and the company's internal procedures.

All of the auditing and non-audit-related work (including the relevant fees, terms and conditions) which the external accountant performs for the company, must be approved by the Supervisory Board beforehand based on a proposal from the audit committee. Acting within a framework that it determines, the Supervisory Board may delegate the aforementioned duty to the audit committee and the latter may delegate it to its chairman, albeit only in special circumstances, subject to the proviso that a decision taken by the chairman to give his approval is presented to the full audit committee in its very next meeting.

4. Work

A. Auditing work

Auditing work refers to the audit of the company's annual financial reports, the assessment of those of its interim financial reports which are to be published, the services which an external accountant normally performs in connection with lodgements, duties performed pursuant to legislation or regulations, and also those services which an external accountant can reasonably provide in his capacity as such.

A tendering process need not be followed each time an external accountant is required to perform auditing work.

B. Non-audit-related work

In the case of non-audit-related work the Supervisory Board will decide on one or more financial thresholds based on a proposal submitted by the audit committee. A tendering process approved by the audit committee will need to be followed in the case of non-audit-related work to be performed by an external accountant, who may be expected to overcome such thresholds.

When assessing a request for the approval of non-audit-related work, the audit committee will also ensure that there is compliance with any prohibitions and limitations imposed by NIVRA in relation to the following categories of services, and will seek additional information from the external accountant concerning such compliance, if required:

- (a) administrative services;
- (b) the design and implementation of financial information systems;
- (c) services relating to valuation;
- (d) services relating to internal audits;
- (e) legal services; and
- (f) mediation for the purposes of recruiting senior staff for clients.

In order to obtain additional clarification as to whether certain work is to be deemed to constitute auditing or non-audit-related work, and if any specific non-audit-related work falls into one of the above-mentioned categories, one will need to contact the head of the internal accounting service who – in the event of any doubt – will consult the chairman of the audit committee.

5. Rotation of partners responsible for audits

In order to ensure that an excessive level of familiarity does not develop between the external accountant and the company, a maximum has been set on the number of years during which a specific person may be a member of the external accountant's auditing team.

The partners in the company's auditing team who are responsible for performing essential duties as part of an audit have to be rotated no later than seven years after their appointment. Those partners in the company's auditing team who are responsible for performing essential duties as part of an audit

and who have been replaced may only work with the company again on an assignment after a period of three years has elapsed since the date on which they were replaced.

Furthermore, the audit committee is required to monitor the risks to the independence of the other members of the company's auditing team, who have been involved in such audits for a lengthy period of time. In this respect the audit committee will regularly consult the external accountant's responsible partner about any safeguards which the external accountant has introduced in order to assess risks to their independence, and to confine them to an acceptable minimum.

6. Appointment of an external accountant

An external accountant will be appointed in accordance with the provisions of Article 11 of the Supervisory Board Regulations. If a decision is taken to engage another external accountant, this will be carried out by employing a tendering procedure approved by the audit committee.

7. Arrangements concerning the cross-employment of staff

The company will agree on a policy with its external accountant to limit the movement of staff from the company and its group to the external accountant's organisation and vice versa, and all relevant legislation and regulations will be complied with at any rate in this respect. This policy will require the Supervisory Board's approval.

ANNEX 7

INFORMATION TO BE INCLUDED IN THE REMUNERATION REPORT

The remuneration report will contain an account of the manner in which the company's remuneration policy was implemented in practice in the past financial year, along with an overview of the remuneration policy which the Supervisory Board envisages for the next and subsequent financial years. This overview will at any rate contain the following information:

- (a) an indication of the relative importance of the variable and non-variable component of the remuneration, along with a statement citing reasons for this breakdown;
- (b) an explanation for any absolute change in the non-variable component of this remuneration;
- (c) if applicable, the composition of the group of companies ('peer group') based on which the remuneration policy partly determines the amount and make-up of the remuneration of the members of the Executive Board;
- (d) a summary of and explanation for the company's policy in relation to the term of the contracts entered into with the members of the Executive Board, the applicable cancellation terms of notice, any severance packages and a statement indicating to what extent the company endorses Best Practice Clause II.2.7 of the Corporate Governance Code of the Netherlands (governing the maximum payout in the event of a dismissal);
- (e) a description of the performance criteria on which any right on the part of the members of the Executive Board to options, shares or any other variable remuneration components depend;
- (f) an explanation for the performance criteria that have been selected;
- (g) a summary of the methods that are to be employed in order to determine whether the performance criteria have been satisfied, and an explanation for the methods which have been selected;
- (h) in the event that these performance criteria are based on a comparison of external factors, a summary of those factors which will be used to draw this comparison. If one of these factors refers to the performance of one or more companies ('peer group') or an index, it will be necessary to specify which companies or index have or has been selected as a comparative benchmark;
- (i) a description of and an explanation for any major proposed amendment of the terms and conditions subject to which a member of the Executive Board may acquire options, shares or any other variable remuneration component;
- (j) if any right which a member of the Executive Board has to options, shares or any other variable remuneration component does not depend on performance criteria, an explanation as to why this is the case;
- (k) the applicable pension plans and the cost of funding them;
- (l) any procedure for the early retirement of members of the Executive Board.