

1 UNDERLINING IMPORTANCE OF LONG-TERM VALUE CREATION

- Pursuant to the new Code the Management Board ("**MB**"), under supervision of the Supervisory Board ("**SB**"), should develop a view on long-term value creation by the company and should formulate a strategy in line with this.
- In developing such a view and strategy, the interests of all stakeholders should be taken into consideration and should be weighed diligently.

2 STRENGTHENING RISK MANAGEMENT

- The MB should state in the management report, with clear substantiation, that:
 - i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
 - ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
 - iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
 - iv. the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

3 ENHANCING MORE EFFECTIVE MANAGEMENT AND SUPERVISION

- **Diversity:** the Code emphasizes the relevance of diversity, not only in respect to gender, but also including nationality, age, education and experience etc.
- **Independence of members of the SB:** In principle all but one of the members of the SB should be independent. However, there may be more than one non-independent supervisory director in the SB if the non-independence stems from being or representing a large shareholder (at least 10% of the shares).

However:

- On behalf of each such shareholder or a group of shareholders acting in concert, there may only be one representative in the SB; and
- The total number of non-independent supervisory board members in the SB should always be less than half of the total number of SB members.
- **The term of office for SB members:** in principal two terms of four years each. After this eight-year period, an SB member may only be re-appointed, and only twice, for a subsequent term of two years, if reasons are given in the SB report.
- The **SB Chairman** may be chairman of the selection/appointment committee.
- If the company has an **executive committee**, it should report on (i) the choice to work with an ExCo (ii) the role, duty and composition of the ExCo and (iii) how the contacts between the SB and the ExCo are being structured. The remuneration of the members of the ExCo is also discussed with the SB.

4 CULTURE

- The MB is responsible for creating a culture aimed at long-term value creation for the company. According to the Monitoring Committee "culture" can be defined as the values that implicitly and explicitly form people's actions and the resulting behaviour.
 - The MB should adopt values for the company that contribute to a culture focused on long-term value creation and discuss these with the SB and the employee participation body.
 - The MB should draw up a code of conduct and monitor its effectiveness and compliance with the Code and inform the SB thereof.
 - The MB should report on the above in its management report.

5 REMUNERATION

- The SB should prepare a clear and understandable remuneration policy for adoption by the general meeting taking into account scenario analyses, pay ratios within the company, the ratio between variable and fixed components. Remuneration in the event of dismissal of an MB member (severance pay) should not exceed one year's (fixed) salary.
- When drafting the proposal for the remuneration of MB members, the remuneration committee should take note of individual MB members' views with respect to their own remuneration considering the above.
- Shares awarded to MB members, should be held for at least five years after having been awarded. Share options cannot be exercised during the first three years after having been awarded.
- SB members may not be awarded remuneration in the form of shares and/or options. Shares held by a SB member should be long-term investments.

6 RULES IN RELATION TO (GENERAL MEETING OF) SHAREHOLDERS

- **180 days-response time.** The MB may invoke a response time if one or more shareholders request that an item be put on the agenda that may result in a change in the company's strategy.
- **Issuing depositary receipts for shares.** Pursuant to the Code DRs for shares can be a means of preventing a chance majority of shareholders to control the decision-making process as a result of absenteeism at a general meeting. DRs should not be issued as an anti-takeover measure. For the members of the board of the trust office the same terms of office applies as for SB members (4+4+2+2 years, see above).