



# Regulations Supervisory Board

October 21, 2020



## **Regulations Supervisory Board BE Semiconductor Industries N.V.**

### **Purpose**

These Regulations have been established by the Supervisory Board on October 21, 2020 and apply in addition to the rules laid down in the law and in Besi's articles of association.

### **Definitions**

The words and expressions used in these Regulations have the following meaning:

“Audit Committee”	the audit committee of the Supervisory Board;
“Besi”	BE Semiconductor Industries N.V.;
“Board of Management”	Besi's board of management;
“Company Secretary”	Besi's company secretary;
“Excluded Transaction”	a Material Transaction: <ul style="list-style-type: none"><li>(i) concluded between Besi and one of its subsidiaries;</li><li>(ii) regarding the remuneration of Board of Management or Supervisory Board members, or elements thereof, awarded or due in accordance with the remuneration policy for the Board of Management or the Supervisory Board;</li><li>(iii) concluded by credit institutions on the basis of measures, aimed at safeguarding their stability, adopted by the European Central Bank or the Dutch Central Bank, as applicable;</li><li>(iv) offered to all Besi's shareholders on the same terms where the equal treatment of all such shareholders and the protection of the interests of Besi and its affiliated enterprise are ensured; or</li><li>(v) concluded in the ordinary course of business under normal market conditions;</li></ul>



“External Auditor”	Besì’s external auditor;
“General Meeting”	Besì’s general meeting of shareholders;
“Material Transaction”	a transaction concluded between Besì or one of its subsidiaries and a Related Party, other than an Excluded Transaction, which constitutes inside information;
“Regulations”	Besì’s regulations for the Supervisory Board set out in this document, dated October 21, 2020;
“Related Party”	a related party as meant in article 2:167(2) of the Dutch Civil Code, being a related party as meant in the standards adopted by the International Accounting Standards Board and approved by the European Commission (i.e. the International Accounting Standards 24 Related Party Disclosure), of Besì, including in any event: <ul style="list-style-type: none"><li>(i) one or more legal or natural persons who hold at least 10% of the shares in Besì;</li><li>(ii) a Board of Management member; and</li><li>(iii) a Supervisory Board member;</li></ul>
“Remuneration and Nomination Committee”	the remuneration and nomination committee of the Supervisory Board;
“Remuneration Report”	the remuneration report as described in provision 10.1; and
“Supervisory Board”	Besì’s supervisory board.

## **1. Role and procedure**

1.1 The Supervisory Board shall supervise the policies carried out by the Board of Management and the general affairs of Besì and its affiliated enterprise and shall assist the Board of Management by providing advice. In discharging their role, the Supervisory Board members shall be guided by the interests of Besì and its affiliated enterprise and shall take into account the relevant interests of Besì’s stakeholders. The Supervisory Board shall ensure that it functions effectively.

1.2 The supervision of the Board of Management by the Supervisory Board shall include:



- (a) the achievement of the set objectives;
  - (b) the corporate strategy and the risks inherent to the business activities;
  - (c) the implementation of the long-term value creation strategy;
  - (d) the effectiveness of the design and operation of the internal risk management and control systems;
  - (e) the integrity and quality of the financial reporting;
  - (f) the compliance with all applicable laws and regulations;
  - (g) the establishment and implementation of internal procedures which safeguard that all relevant information is known to the Board of Management and Supervisory Board;
  - (h) the relations with shareholders; and
  - (i) the corporate social responsibility issues that are relevant to Besl and its affiliated enterprise.
- 1.3 The Supervisory Board shall be engaged early on by the Board of Management in formulating the long-term value creation strategy. The Supervisory Board shall supervise the manner in which the Board of Management implements the strategy. The Supervisory Board shall regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it.
- 1.4 The Supervisory Board is responsible for stimulating openness and accountability within the Supervisory Board and between the different organs within Besl.
- 1.5 The Supervisory Board and each individual Supervisory Board member have their own responsibility for obtaining the information from the Board of Management, the internal audit function, the External Auditor and the employee participation body (if any) that the Supervisory Board needs in order to be able to carry out its duties properly.
- 1.6 If the Supervisory Board considers it necessary, it may obtain information from officers and external advisers of Besl and may require that certain officers and external advisers attend its meetings.
- 1.7 At least once per year, outside the presence of the Board of Management, the Supervisory Board shall evaluate its own functioning, the functioning of the committees of the Supervisory Board and that of the individual Supervisory Board members, and shall discuss the conclusions from the evaluation. In doing so, attention shall be paid to:
- (a) substantive aspects, the mutual interaction and the interaction with the Board of Management;
  - (b) events that occurred in practice from which lessons may be learned; and



- (c) the desired profile, composition, competencies and expertise of the Supervisory Board.
- 1.8 At least once per year, outside the presence of the Board of Management, the Supervisory Board shall evaluate both the functioning of the Board of Management as a whole and that of the individual Board of Management members, and shall discuss the conclusions from the evaluation, also in light of the succession of Board of Management members.
- 1.9 The annual report of Besl shall include a report of the Supervisory Board. In this report, the Supervisory Board shall render account of the supervision conducted in the previous financial year, reporting in any event on the items referred to in best practice provision 2.3.11 of the Dutch Corporate Governance Code.
- 1.10 In the report of the Supervisory Board account is given of the Supervisory Board's involvement in the establishment of the long-term value creation strategy and the way in which it monitors its implementation.
- 1.11 The following information about each Supervisory Board member shall be included in the report of the Supervisory Board:
- (a) gender;
  - (b) age;
  - (c) nationality;
  - (d) principal position;
  - (e) other positions, in so far as they are relevant to the performance of the duties of the Supervisory Board member;
  - (f) date of initial appointment; and
  - (g) the current term of office.
- 1.12 The report of the Supervisory Board shall state:
- (a) how the evaluation of the Supervisory Board, the various committees and the individual Supervisory Board members has been carried out;
  - (b) how the evaluation of the Board of Management and the individual Board of Management members has been carried out; and
  - (c) what has been or will be done with the conclusions from the evaluations.

## 2. Independence

- 2.1 The composition of the Supervisory Board shall be such that the Supervisory Board members are able to operate independently and critically vis-à-vis one another, the Board of Management and any particular interests involved.

In order to safeguard its independence, the Supervisory Board shall be composed in accordance with the following criteria:

- (a) any one of the criteria referred in provision 2.2 under (a) to (e) (inclusive) shall be applicable to at most one Supervisory Board member;
  - (b) the total number of Supervisory Board members to whom the criteria referred to in provision 2.2 are applicable shall account for less than half of the total number of Supervisory Board members; and
  - (c) for each shareholder or group of affiliated shareholders that directly or indirectly holds or hold more than 10% of the shares in Besi, there is at most one Supervisory Board member who can be considered to be affiliated with or representing it or them as referred to in provision 2.2 under (f) and (g).
- 2.2 The Supervisory Board as a whole shall determine whether or not a Supervisory Board member is considered independent. A Supervisory Board member is considered not independent if he/she or his/her spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:
- (a) has been a Board of Management member or employee of Besi or any associated company (as referred to in article 5:48 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)) in the five years prior to the appointment;
  - (b) receives personal financial compensation from Besi or any associated company, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not in keeping with the normal course of business;
  - (c) has had an important business relationship with Besi or any associated company in the year prior to the appointment. This includes in any event the case where the Supervisory Board member, or the firm of which he/she is a shareholder, partner, associate or adviser, has acted as adviser (consultant, external auditor, civil notary or lawyer) to Besi and the case where the Supervisory Board member is a management board member or employee of any bank with which Besi has a lasting and significant relationship;
  - (d) is a management board member of a company in which a Board of Management member is a supervisory board member;
  - (e) has temporarily performed management duties during the previous twelve months in the absence or incapacity of Board of Management members;



- (f) has a shareholding in Besil of at least 10%, taking into account the shareholding of natural persons or legal entities cooperating with him/her on the basis of an express or tacit, verbal or written agreement; or
  - (g) is a management board or supervisory board member – or is a representative in some other way – of a legal entity which holds at least 10% of the shares in Besil, unless such entity is a group company.
- 2.3 The chairman of the Supervisory Board shall not be a former Board of Management member and shall be independent.
- 2.4 The report of the Supervisory Board shall state that, in the opinion of the Supervisory Board, the independence requirements as referred to in best practice provisions 2.1.7 to 2.1.9 (inclusive) of the Dutch Corporate Governance Code (similar to the requirements as referred to in provisions 2.1, 2.2 and to 2.3 (inclusive)) have been fulfilled and, if applicable, shall state which Supervisory Board members (if any) are not considered independent.
- 3. Expertise and composition**
- 3.1 The Supervisory Board shall be composed such that the requisite expertise, background, competencies and independence are present for it to carry out its duties properly. The size of the Supervisory Board shall reflect these requirements. Each Supervisory Board member shall be capable of assessing the broad outline of the overall management. Each Supervisory Board member shall have the specific expertise required for the fulfilment of his/her duties. When reappointing Supervisory Board members, a critical assessment will be made as to whether the relevant Supervisory Board member maintains an appropriate distance in undertaking his/her supervisory activities, and whether the required knowledge and expertise are represented within the Supervisory Board.
- 3.2 The Supervisory Board shall prepare a profile, taking into account the nature and activities of Besil and its affiliated enterprise. The profile shall address:
- (a) the desired expertise and background of the Supervisory Board members;
  - (b) the desired composition of the Supervisory Board, taking into account the diversity policy as referred to in provision 3.3;
  - (c) the size of the Supervisory Board; and
  - (d) the independence of the Supervisory Board members.
- The profile shall be posted on Besil's website.
- 3.3 The Supervisory Board shall draw up a diversity policy for the composition of the Board of Management and the Supervisory Board. The policy shall address the concrete targets relating to diversity and diversity aspects relevant to Besil, such as nationality, age, gender and education and work background and shall be explained in the corporate



governance statement. If the composition of the Board of Management and the Supervisory Board diverges from the targets stipulated in the policy, the current state of affairs shall be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended targets and by when this is likely to be achieved.

- 3.4 The number of supervisory boards of Dutch listed companies of which an individual may be a member shall be limited to such an extent that the proper performance of his/her duties is assured and shall be in accordance with article 2:142a of the Dutch Civil Code.
- 3.5 Supervisory Board members shall report any other positions they may have to the Supervisory Board in advance and, at least annually, the other positions shall be discussed at a Supervisory Board meeting.
- 3.6 A Supervisory Board member is appointed for a period of four years and may then be reappointed once for another period of four years. The Supervisory Board member may then subsequently be reappointed for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after a period of eight years, reasons shall be given in the report of the Supervisory Board. In any appointment or reappointment, the profile referred to in provision 3.2 shall be observed.
- 3.7 A Supervisory Board member shall retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board. In the event of early retirement of a Supervisory Board member, a press release mentioning the reasons for the departure shall be issued.
- 3.8 The Supervisory Board shall ensure that Besi has a sound plan in place for the succession of Board of Management and Supervisory Board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard shall be given to the profile referred to in provision 3.2 in drawing up the plan for Supervisory Board members. In addition, the Supervisory Board shall draw up a retirement schedule in order to avoid Supervisory Board members retiring simultaneously. The retirement schedule shall be posted on Besi's website.
- 3.9 The Supervisory Board shall keep its knowledge and skills up-to-date and spend sufficient time on its duties and responsibilities.
- 3.10 All Supervisory Board members shall follow an induction programme geared to their role. The induction programme shall in any event cover general financial, social and legal affairs, financial reporting by Besi, any specific aspects that are unique to Besi and its business activities, company culture and relationship with the employee participation body (if any), and the responsibilities of a Supervisory Board member.
- 3.11 The Supervisory Board shall conduct an annual review to identify any aspects with regard to which the Supervisory Board members require training or education.





#### **4. The chairman and vice-chairman of the Supervisory Board, the Company Secretary and the delegated Supervisory Board member**

4.1 The chairman of the Supervisory Board shall consult regularly with the chairman of the Board of Management and shall in any event ensure that:

- (a) the Supervisory Board has proper contact with the Board of Management, the employee participation body (if any) and the General Meeting;
- (b) the Supervisory Board elects a vice-chairman of the Supervisory Board;
- (c) there is sufficient time for deliberation and decision-making by the Supervisory Board;
- (d) the Supervisory Board members receive all information that is necessary for the proper performance of their duties in a timely fashion;
- (e) the Supervisory Board and its committees function properly;
- (f) the functioning of individual Board of Management and Supervisory Board members is assessed at least annually;
- (g) the Board of Management and Supervisory Board members follow their induction programme;
- (h) the Board of Management and Supervisory Board members follow their education or training programme;
- (i) the Board of Management performs activities in respect of culture;
- (j) the Supervisory Board recognizes signs from the enterprise affiliated with Besl and ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
- (k) the General Meeting proceeds in an orderly and efficient manner;
- (l) effective communication with shareholders is assured; and
- (m) the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes.

4.2 The chairman of the Supervisory Board shall act on behalf of the Supervisory Board as the main contact for the Board of Management, the Supervisory Board members and the shareholders regarding the functioning of Board of Management and Supervisory Board members. The vice-chairman of the Supervisory Board shall act as contact for individual Board of Management and Supervisory Board members regarding the functioning of the chairman of the Supervisory Board.



- 4.3 The vice-chairman of the Supervisory Board shall deputize for the chairman of the Supervisory Board when the occasion arises.
- 4.4 The Supervisory Board shall be supported by a member of Besic staff in the function of company secretary. The Company Secretary shall:
- (a) ensure that the proper procedures are followed and that the statutory obligations and obligations under Besic's articles of association are complied with;
  - (b) facilitate the provision of information of the Board of Management and the Supervisory Board;
  - (c) support the chairman of the Supervisory Board in the organization of the affairs of the Supervisory Board, including the provision of information, meeting agendas, evaluations and training programmes.

The Company Secretary shall, whether or not at the initiative of the Supervisory Board, be appointed and dismissed by the Board of Management after the approval of the Supervisory Board has been obtained.

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

- 4.5 A delegated Supervisory Board member is a Supervisory Board member who has a special task. The delegation may not extend beyond the responsibilities of the Supervisory Board itself and may not include the management of Besic. Its purpose is more intensive supervision and advice and more regular consultation with the Board of Management. The delegation shall be of a temporary nature only. The delegation may not detract from the duties and powers of the Supervisory Board. The delegated Supervisory Board member continues to be a Supervisory Board member and shall report regularly on the execution of his/her special duty to the plenary Supervisory Board.
- 4.6 A Supervisory Board member who temporarily takes on the management of Besic, where the Board of Management members are absent or unable to fulfil their duties, shall resign from the Supervisory Board.

## **5. Committees of the Supervisory Board**

- 5.1 The Supervisory Board shall appoint, from among its members, an Audit Committee and a Remuneration and Nomination Committee. Without prejudice to the collegiate responsibility of the Supervisory Board, the duty of the committees is to prepare the decision-making of the Supervisory Board. The foregoing does not affect the responsibility of the Supervisory Board as an organ and of the individual Supervisory Board members for obtaining information and forming an independent opinion.
- 5.2 The Supervisory Board shall draw up terms of reference for the Audit Committee and the Remuneration and Nomination Committee. The terms of reference shall indicate the role



and responsibilities of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference shall be posted on Besi's website.

- 5.3 The Supervisory Board shall receive from the Audit Committee and the Remuneration and Nomination Committee a report of their deliberations and findings. In its report, the Supervisory Board shall comment on how the duties of the committees were carried out in the financial year and shall mention the composition of the committees, the number of committee meetings and the main items discussed at such meetings.

## **6. Conflicts of interest**

- 6.1 Any form of conflict of interest between Besi and the Board of Management and Supervisory Board members shall be prevented. To avoid conflicts of interest, adequate measures shall be taken. The Supervisory Board is responsible for the decision-making on dealing with conflicts of interest regarding Board of Management and Supervisory Board members and majority shareholders in relation to Besi.

- 6.2 Supervisory Board members are alert to conflicts of interest and shall in any case refrain from the following:

- (a) competing with Besi;
- (b) demanding or accepting substantial gifts from Besi for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- (c) providing unjustified advantages to third parties at Besi's expense;
- (d) taking advantage of business opportunities to which Besi is entitled for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

- 6.3 A Supervisory Board member shall report any conflict of interest or potential conflict of interest in a transaction that is of material significance to Besi and/or to him/her to the chairman of the Supervisory Board without delay and shall provide all relevant information, including relevant information pertaining to his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chairman of the Supervisory Board has a conflict of interest or potential conflict of interest, he/she shall report this to the vice-chairman 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.

A conflict of interest may exist if Besi intends to enter into a transaction with a legal entity:

- (i) in which a Board of Management or Supervisory Board member personally has a material financial interest; or



- (ii) which has a management board or supervisory board member who is related under family law to a Board of Management or Supervisory Board member.
- 6.4 A Supervisory Board member may not take part in the discussion and/or decision-making on a subject or transaction in relation to which he/she has a direct or indirect personal conflict of interest.
- 6.5 All transactions in which there are conflicts of interest with Board of Management or 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 Board of Management or Supervisory Board members that are of material significance to Beside and/or to the relevant Board of Management or Supervisory Board members require the approval of the Supervisory Board upon advice of the Audit Committee. Such transactions shall be published in the director's 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 (similar to the requirements as referred to in provisions 6.3 and 6.5) have been complied with.
- 6.6 All transactions between Beside and legal or natural persons who hold at least 10% of the shares in Beside shall be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to Beside and/or to such persons require the approval of the Supervisory Board upon advice of the Audit Committee. Such transactions shall be published in the director's report, together with a declaration that best practice provision 2.7.5 of the Dutch Corporate Governance Code (similar to the requirement as referred to in this provision 6.6) has been complied with.
- 6.7 Beside shall not grant its Board of Management and Supervisory Board members any personal loans, guarantees or the like, 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 shall be granted.

## **7. Material Transactions**

- 7.1 A Material Transaction requires the approval of the Supervisory Board. A Supervisory Board member may not take part in the discussion and/or decision-making on a Material Transaction if he/she is involved in such Material Transaction. This approval requirement shall not apply to a Material Transaction concluded by one of Beside's subsidiaries; such Material Transaction shall however be reported to the Supervisory Board.
- 7.2 In the event that a transaction that is not considered a Material Transaction, when taken together with one or more other transactions that are not considered Material Transactions with the same Related Party in the same financial year, can be considered a Material Transaction, such transaction also requires the approval of the Supervisory Board. This approval requirement shall not apply to a transaction that is not considered a Material Transaction concluded by one of Beside's subsidiaries; such Material Transaction shall however be reported to the Supervisory Board.



- 7.3 The Supervisory Board shall encourage Besl to publicly announce a Material Transaction at the latest at the time such Material Transaction is concluded. Such announcement shall at least contain information on:
- (a) the nature of the relationship with the Related Party;
  - (b) the name of the Related Party;
  - (c) the date and value of such Material Transaction; and
  - (d) any other information that is required to assess whether or not such Material Transaction is fair and reasonable from the perspective of Besl and of those shareholders that do not qualify as the Related Party.

This announcement requirement shall also apply to a Material Transaction concluded by one of Besl's subsidiaries.

- 7.4 The Supervisory Board shall at least annually assess whether Excluded Transactions that were considered Excluded Transactions on the ground that they were concluded in the ordinary course of business and under normal market conditions indeed qualify as such. This assessment requirement shall also apply to Excluded Transactions concluded by one of Besl's subsidiaries.

## **8. Remuneration Board of Management members**

- 8.1 The Supervisory Board is responsible for formulating the remuneration policy for the Board of Management and its implementation and shall present it to the General Meeting for adoption at least every four years (as well as in case of a material change). Immediately after the General Meeting, in which the remuneration policy for the Board of Management was adopted, the remuneration policy for the Board of Management (together with the date and results of the vote) shall be posted on Besl's website and remain publicly available for as long as it is in effect.
- 8.2 In addition to the matters required by article 2:135a(6) of the Dutch Civil Code and article 16(6) of Besl's articles of association, the following aspects shall in any event be taken into consideration when formulating the remuneration policy for the Board of Management:
- (a) the objectives for the implementation of the long-term value creation strategy;
  - (b) the scenario analyses carried out in advance;
  - (c) the pay ratios within Besl and its affiliated enterprise;
  - (d) the development of the market price of the shares;
  - (e) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;



- (f) if shares are being awarded, the terms and conditions governing this; and
- (g) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded.

8.3 The Supervisory Board shall determine the remuneration of the individual Board of Management members, within the limits of the remuneration policy for the Board of Management. The inadequate performance of duties shall not be rewarded.

8.4 The Remuneration and Nomination Committee shall submit a proposal to the Supervisory Board concerning the remuneration of the individual Board of Management members.

## **9. Remuneration Supervisory Board members**

9.1 The Supervisory Board shall submit a clear and understandable proposal concerning the remuneration policy for the Supervisory Board to the General Meeting for adoption at least every four years (as well as in case of a material change). Immediately after the General Meeting, in which the remuneration policy for the Supervisory Board was adopted, the remuneration policy for the Supervisory Board (together with the date and results of the vote) shall be posted on Besi's website and remain publicly available for as long as it is in effect.

9.2 In addition to the matters required by article 2:145(2) of the Dutch Civil Code and article 21(3) of Besi's articles of association, the following aspects shall in any event be taken into account when formulating the remuneration policy for the Supervisory Board:

- (a) the remuneration shall promote an adequate performance and reflect the time spent and responsibilities of the role;
- (b) the remuneration shall not be dependent on the results of Besi; and
- (c) the remuneration shall not be in the form of shares and/or rights to acquire shares.

9.3 Shares held by a Supervisory Board member in Besi shall be long-term investments.

## **10. Remuneration Report**

10.1 The Supervisory Board (jointly with Besi) shall issue a Remuneration Report which shall be prepared by the Remuneration and Nomination Committee. In the Remuneration Report, the Supervisory Board shall render account of the implementation of the remuneration policy in a transparent manner. The Remuneration Report shall be clear and understandable, provide an overview of all remuneration awarded or due during the previous financial year to (former) individual Board of Management and Supervisory Board members and in any event describe, in a transparent manner, in addition to the matters required by article 2:135b of the Dutch Civil Code:



- (a) how the remuneration policy has been implemented in the previous financial year;
- (b) how the implementation of the remuneration policy contributes to the long-term value creation;
- (c) that scenario analyses have been taken into consideration;
- (d) the pay ratios within Beside and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- (e) in the event that a Board of Management 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 the performance; and
- (f) in the event that a current or former Board of Management member receives a severance payment, the reason for this payment.

The Remuneration Report is included in Beside's annual report.

- 10.2 The External Auditor shall have to verify that the Remuneration Report contains all matters required by article 2:135b of the Dutch Civil Code.
- 10.3 The Remuneration Report shall be submitted to the General Meeting for an advisory vote. Although the results of the advisory vote shall not have any effect on the validity of the Remuneration Report, the results of the advisory vote shall have to be taken into account and an explanation of the manner in which that was done shall have to be given in the next Remuneration Report. After the General Meeting has voted on the Remuneration Report, the Remuneration Report shall be posted on Beside's website and remain publicly available for at least ten years.

## **11. External Auditor**

- 11.1 The External Auditor is appointed by the General Meeting. The Supervisory Board shall submit the nomination for the appointment of the External Auditor to the General Meeting upon the advice of the Audit Committee, and shall supervise the External Auditor's functioning.
- 11.2 The Supervisory Board shall give the External Auditor a general idea of the content of the reports relating to its functioning.
- 11.3 The Supervisory Board shall resolve on the engagement of the External Auditor to audit the annual financial statements. The terms of engagement shall include the scope of the audit, the materiality to be used and the remuneration for the audit.
- 11.4 The main conclusions of the Supervisory Board regarding the External Auditor's nomination and the outcome of the procedure for the selection of the External Auditor, which procedure shall be in the form of a tender process if it concerns the selection of a





new External Auditor, such in accordance with Regulation (EU) No 537/2014, shall be communicated to the General Meeting.

- 11.5 The Supervisory Board shall maintain regular contact with the External Auditor.
- 11.6 The Supervisory Board shall be permitted to examine the most important points of discussion arising between the External Auditor and the Board of Management based on the draft management letter or the draft audit report.
- 11.7 The External Auditor shall in any event attend the meeting of the Supervisory Board, at which the report of the External Auditor on the audit of the annual financial statements is discussed.

## **12. Internal audit function**

- 12.1 The Supervisory Board shall oversee the internal audit function, whose duty it is to assess the design and operation of the internal risk management and control systems, and shall maintain regular contact with the person fulfilling this function.
- 12.2 The Supervisory Board shall oversee both the appointment and dismissal by the Board of Management of the internal auditor.
- 12.3 The audit plan shall be prepared by the internal audit function in consultation with the Board of Management, the Audit Committee and the External Auditor and shall be submitted to the Supervisory Board for approval after the Board of Management has approved the same. In the audit plan attention shall be paid to the interaction with the External Auditor.

## **13. Decision-making of the Supervisory Board**

- 13.1 The Supervisory Board shall ensure that decisions are made in a balanced and effective manner whilst taking account of the interests of stakeholders. It shall ensure that, in performing its duties, it has the information that is required for effective decision-making.
- 13.2 Supervisory Board members shall attend Supervisory Board meetings and the meetings of the committees of which they form part. If Supervisory Board members are frequently absent from these meetings, they shall be held accountable on this. The report of the Supervisory Board shall state the absenteeism rate from Supervisory Board and committee meetings of each Supervisory Board member.
- 13.3 Resolutions of the Supervisory Board shall be passed by an absolute majority of votes of all Supervisory Board members in office. In the event of an equal division of votes, the chairman of the Supervisory Board shall have the decisive vote.
- 13.4 Resolutions of the Supervisory Board may be passed outside a meeting provided this is done in writing, by telefax or by electronic mail and provided further that all Supervisory Board members have been consulted on the resolution to be passed and none of them objects against this manner of passing the resolution. If a resolution of the Supervisory





Board should be evidenced, the signature of the chairman of the Supervisory Board shall suffice for that purpose.

#### **14. Miscellaneous**

- 14.1 Anyone who is appointed as a Supervisory Board member must, upon assuming office, declare in writing to Besì that he/she accepts and agrees to the contents of these Regulations and pledge to Besì that he/she will comply with the provisions of these Regulations.
- 14.2 Subject to applicable law and regulations, the Supervisory Board may occasionally decide at its sole discretion not to comply with these Regulations.
- 14.3 These Regulations may be amended by the Supervisory Board at its sole discretion without prior notification. Prior to the amendment of these Regulations the Board of Management shall be consulted.
- 14.4 In case of uncertainty or difference of opinion on how a provision of these Regulations shall be interpreted, the opinion of the chairman of the Supervisory Board shall be decisive.
- 14.5 These Regulations are governed by the laws of the Netherlands. 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).
- 14.6 These Regulations are complementary to the provisions governing the Supervisory Board as contained in Dutch law, other applicable Dutch or EU rules and regulations and Besì's articles of association. Where these Regulations are inconsistent with Dutch law, other applicable Dutch or EU rules and regulations or Besì's articles of association, the latter shall prevail. Where these Regulations are consistent with Besì's articles of association but inconsistent with Dutch law or other applicable Dutch or EU rules and regulations, the latter shall prevail.

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.