

**PEPCO GROUP N.V.**  
**(the 'Company')**

**NOMINATIONS COMMITTEE**

**BOARD PROFILE**

**dated 10 December 2021**

**Adopted by the Board of Directors on 10 December 2021**

**1. INTRODUCTION**

- 1.1. To ensure that the Board of Directors of the Company (**the Board**) is adequately composed at all times, members of the Board are appointed on the basis of applicable statutory, the Articles of Association of the Company, the rules of procedure for the Board of Directors of the Company (**Rules of Procedure**) and this Profile (**Profile**). This Profile provides a guideline for the composition of the Board and an indication of the desired knowledge and experience, skills, competencies and background of the Board, which is pursued both individually and collectively.
- 1.2. This Profile is adopted by the Board pursuant to clause 4.1 of the Rules of Procedure, according to which the Board shall adopt a profile of its size and composition.
- 1.3. Terms used in this Profile shall have the same meaning as ascribed thereto in the Rules of Procedure, except where expressly indicated otherwise.
- 1.4. Pursuant to applicable laws, the Articles of Association of the Company and the Rules of Procedure, the Board shall consist of both executive directors having responsibility for the day-to-day management of the Company as well as non-executive directors not having such day-to-day responsibility. In performing their respective duties both the executive directors as well as the non-executive directors of the Board shall act in the interest of the Company and its affiliated enterprises, taking into consideration the strategic objectives of the Company.
- 1.5. In accordance with article 14.3 of the Articles of Association of the Company, members of the Board are appointed by the General Meeting upon a binding nomination prepared by the Board.

**2. COMPOSITION OF THE BOARD**

Taking into account the Company's nature of business, the size and composition of the Board shall be in accordance with this Clause 2.

- 2.1. In accordance with the Articles of Association of the Company, the number of directors of the Board shall be determined by the Board. The number of executive directors must at all times be less than the number of non-executive directors. The size and composition of the Board should at all times be such that the Board members are able to fulfil their duties properly, independent from and critically towards each other, the Board and any other particular interest.
- 2.2. At least two of the non-executive directors shall qualify as being independent pursuant to the criteria of the Code of Best Practice for GPW Listed Companies 2021 (**WSE Code**). The composition of the

Board shall further adhere to the relevant provisions of the relationship agreement, dated 14 May 2021, entered by and between the Company, its principal shareholder Pepco Holdco Limited, Steenbok Newco 3 Limited and Steinhoff International Holdings N.V..

- 2.3. Furthermore, members of the Board shall not hold any positions, or have interests that conflict with the interests of the Company. Any additional positions held by members of the Board must not prevent members of the Board from having sufficient time to carry out their function, even in times of increased activity. In accordance with article 4.4. of the Rules of Procedure, a member of the Board shall not hold a position on the management board or supervisory board of companies other than those that are members of its issuers' group without written approval of the Chair.
- 2.4. The Board strives to realise a diverse composition of the Board, in accordance with the Diversity Policy, in terms of age, gender and cultural background of the members of the Board, aiming for a balanced composition of the Board, including a proportionate male-to-female ratio with at least a 30% seat distribution on the Board for each gender.
- 2.5. Each member of the Board is of impeccable conduct and reputation and endorses the mission, and corporate values and culture of the Company and its subsidiaries.

### **3. COMPETENCES AND PERSONAL QUALIFICATIONS OF MEMBERS OF THE BOARD**

- 3.1. The composition of the Board shall be such that the combined experience, expertise and background of its members shall enable the Board to perform its duties and responsibilities in relation to the Company and its stakeholders in the best possible way.
- 3.2. Each member of the Board shall be capable of assessing the broad outlines of the Company's business. Each member of the Board shall have the specific expertise required for any specific tasks and responsibilities assigned to him/her, and with respect to the positions of the Chair and Chief Executive Officer of the Board – as laid down in Appendix A of the Rules of Procedure. Furthermore, each Board member has sufficient knowledge of areas for which she/he is not directly responsible but collectively accountable with the other members of the Board.
- 3.3. For the purposes of performing its duties, when considering the appointment and re-appointment of (future) Board members, the Board shall seek to have the following personal qualifications in its Board members:
- each member of the Board should be able to act critically towards the other Board members;
  - each member of the Board must have the following qualities: (i) general market and/or relevant business experience; (ii) team player; (iii) ability to challenge views and open to being challenged; and (iv) senior managerial and/or business experience.
- 3.4. The Board as a whole shall possess the following knowledge and experience:
- experience in managing international businesses focused on long-term value creation;
  - practical experience which is applicable to the business of the Company;
  - knowledge and understanding of the business and products of the Company and some or all of the markets and geographies in which the Company operate its businesses;
  - an international background with an understanding of the corporate governance aspects of a listed company;
  - commercial and entrepreneurial expertise;

- understanding of environmental, social responsibility and governance issues relevant to the business of the Company;
- practical experience in and relating to financing and accounting and/or experience in relation to International Financial Reporting Standards (IFRS).
- specific knowledge of and experience in human resources management (including employee relations), (management) development and remuneration policy;
- knowledge of and experience related to risk strategy, risk culture and risk management;
- analytical skills, a critical attitude and effective communication skills; and
- adequate command of written and spoken English.

3.5. The Board shall endeavour to ensure, within the limits of its powers, that at least one (1) Board member shall be a financial expert with relevant knowledge and experience in the area of financial administration or accounting for listed companies or other large companies.

#### **4. RESPONSIBILITIES AND RESULT AREAS**

4.1. The Board is the Company's statutory managing board (*statutair bestuur*) within the meaning of section 2:129 Dutch Civil Code. In accordance with article 15 of the Articles of Association of the Company, the executive members of the Board are entrusted with the management of the Company. It is the duty of the non-executive members of the Board to supervise the management of the executive members of the Board and the general course of affairs in the Company and the business connected with it. The non-executive members of the Board shall assist the executive members by giving advice.

4.2. Subject to paragraph 1 of article 14 and paragraphs 1 and 2 of article 15 of the Articles of Association of the Company, the Board shall establish rules which shall include an allocation of tasks amongst the executive directors and non-executive directors and which may provide for delegation of powers. In this context, the Board shall also determine the duties for which each executive director in particular shall be responsible. Such rules and allocation of duties must be put in writing.

4.3. The members of the Board set an example to all employees of the Company and promote responsible conduct and a healthy culture, both at the top and throughout the Company, and manage the organisation and its employees in accordance with the cultural profile of the Company.

#### **5. EVALUATION**

As the situation, markets and environment in which the Company operates change, the need for specific competences within the Board may also change. This Profile shall, therefore, be evaluated from time to time and tested against social developments and strategic changes at the Company, at least once a year.

This Profile was adopted by the Board on 10 December 2021 and will be published on the website of the Company.