

Pepco Group N.V.
Compliance with the Dutch Corporate Governance Code 2016
December 2023

Number	Principle	Compliance	Explanation
CHAPTER 1. LONG-TERM VALUE CREATION			
Principle 1.1 Long-term value creation	The management board is responsible for the continuity of the company and its affiliated enterprise. The management board focuses on long-term value creation for the company and its affiliated enterprise, and takes into account the stakeholder interests that are relevant in this context. The supervisory board monitors the management board in this.		
1.1.1 Long-term value creation strategy	<p>The management board should develop a view on long-term value creation by the company and its affiliated enterprise and should formulate a strategy in line with this. Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy.</p> <p>When developing the strategy, attention should in any event be paid to the following:</p> <ul style="list-style-type: none"> i. the strategy's implementation and feasibility; ii. the business model applied by the company and the market in which the company and its affiliated enterprise operate; iii. opportunities and risks for the company; iv. the company's operational and financial goals and their impact on its future position in relevant markets; v. the interests of the stakeholders; and vi. any other aspects relevant to the company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain 	The principle is applied	

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	within which the enterprise operates, respect for human rights, and fighting corruption and bribery.		
1.1.2 Involvement of the supervisory board	The management board should engage the supervisory board early on in formulating the strategy for realising long-term value creation. The management board renders account to the supervisory board of the strategy and the explanatory notes to that strategy.	The principle is applied	
1.1.3 Role of the supervisory board	The supervisory board should supervise the manner in which the management board implements the long-term value creation strategy. The supervisory board should regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it. In the report drawn up by the supervisory board, an account is given of its involvement in the establishment of the strategy, and the way in which it monitors its implementation.	The principle is applied	
1.1.4 Accountability of the management board	In the management report, the management board should give a more detailed explanation of its view on long-term value creation and the strategy for its realisation, as well as describing which contributions were made to long-term value creation in the past financial year. The management board should report on both the short-term and long-term developments.	The principle is applied	
Principle 1.2 Risk management	The company should have adequate internal risk management control systems in place. The management board is responsible for identifying and managing the risk associated with the company's strategy and activities.		
1.2.1 Risk assessment	The management board should identify and analyse the risks associated with the strategy and activities of the company and its affiliated enterprise. It is responsible for establishing the risk appetite, and also	The principle is applied	

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	the measures that are put in place in order to counter the risks being taken.		
1.2.2 Implementation	Based on the risk assessment, the management board should design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the company and its affiliated enterprises, and should be familiar to those whose work they are relevant to.	The principle is applied	
1.2.3 Monitoring of effectiveness	The management board should monitor the operation of the internal risk management and control systems and should carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring should cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention should be given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements should be made to internal risk management and control systems.	The principle is applied	
Principle 1.3 Internal audit function	The duty of the internal audit function is to assess the design and the operation of the internal risk management and control systems. The management board is responsible for the internal audit function. The supervisory board oversees the internal audit function and maintains regular contact with the person fulfilling this function.		
1.3.1 Appointment and dismissal	The management board both appoints and dismisses the senior internal auditor. Both the appointment and the dismissal of the senior internal auditor should be submitted to the supervisory board for approval,	The principle is applied	

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	along with the recommendation issued by the audit committee.		
1.3.2 Assessment of the internal audit function	The management board should assess the way in which the internal audit function fulfils its responsibility annually, taking into account the audit committee's opinion.	The principle is applied	
1.3.3 Internal audit plan	The internal audit function should draw up an audit plan, involving the management board, the audit committee and the external auditor in this process. The audit plan should be submitted to the management board, and then to the supervisory board, for approval. In this internal audit plan, attention should be paid to the interaction with the external auditor.	The principle is applied	
1.3.4 Performance of work	The internal audit function should have sufficient resources to execute the internal audit plan and have access to information that is important for the performance of its work. The internal audit function should have direct access to the audit committee and the external auditor. Records should be kept of how the audit committee is informed by the internal audit function.	The principle is applied	
1.3.5 Reports of findings	The internal audit function should report its audit results to the management board and the essence of its audit results to the audit committee and should inform the external auditor. The research finding of the internal audit function should, at least, include the following: <ul style="list-style-type: none"> i. any flaws in the effectiveness of the internal risk management and control systems; ii. any findings and observations with a material impact on the risk profile of the company and its affiliated enterprise; and 	The principle is applied	

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	iii. any failings in the follow-up of recommendations made by the internal audit function.		
1.3.6 Absence of an internal audit department	If there is no separate department for the internal audit function, the supervisory board will assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the audit committee, and will consider whether it is necessary to establish an internal audit department. The supervisory board should include the conclusions, along with any resulting recommendations and alternative measures, in the report of the supervisory board.	The principle is applied	
Principle 1.4 Risk management accountability	The management board should render account of the effectiveness of the design and the operation of the internal risk management and control systems.		
1.4.1 Accountability to the supervisory board	The management board should discuss the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3 inclusive with the audit committee, and render account of this to the supervisory board.	The principle is applied	
1.4.2 Accountability in the management report	In the management report, the management board should render account of: <ul style="list-style-type: none"> i. the execution of the risk assessment, with a description of the principal risks facing the company in relation to its risk appetite. These risks may include strategic, operational, compliance and reporting risks; ii. the design and operation of the internal risk management and control systems during the past financial year; 	The principle is applied	

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	<ul style="list-style-type: none"> iii. any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the audit committee and the supervisory board; and iv. the sensitivity of the results of the company to material changes in external factors. 		
1.4.3 Statement by the management board	<p>The management board should state in the management report, with clear substantiation, that:</p> <ul style="list-style-type: none"> 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. 	The principle is applied	
Principle 1.5 Role of the supervisory board	The supervisory board should supervise the policies carried out by the management board and the general affairs of the company and its affiliated enterprise. In so doing, the supervisory board should also focus on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting.		
1.5.1 Duties and responsibilities	The audit committee undertakes preparatory work for the supervisory board's decision-making regarding the	The principle is applied	

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of the audit committee	supervision of the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems. Among other things, it focuses on monitoring the management board with regard to: i. relations with, and compliance with recommendations and following up of comments by, the internal and external auditors; ii. the funding of the company; iii. the application of information and communication technology by the company, including risks relating to cybersecurity; and iv. the company's tax policy.		
1.5.2 Attendance of the management board, internal auditor and external auditor at audit committee consultations	The chief financial officer, the internal auditor and the external auditor should attend the audit committee meetings, unless the audit committee determines otherwise. The audit committee should decide whether and, if so, when the chairman of the management board should attend its meetings.	The principle is applied	Pepco Group operates a one-tier Board. Therefore, the reference to chairman of the management board is not applicable to Pepco Group.
1.5.3 Audit committee report	The audit committee should report to the supervisory board on its deliberations and findings. This report must, at least, include the following information: i. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3, inclusive; ii. the methods used to assess the effectiveness of the internal and external audit processes;	The principle is applied	

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	<p>iii. material considerations regarding financial reporting;</p> <p>iv. the way material risks and uncertainties referred to in best practice provision 1.4.3 have been analysed and discussed, along with a description of the most important findings of the audit committee.</p>		
1.5.4 Supervisory board	The supervisory board should discuss the items reported on by the audit committee as per of best practice provision 1.5.3.	The principle is applied	
Principle 1.6 Appointment and assessment of the functioning of the external auditor	The supervisory board should submit the nomination for the appointment of the external auditor to the general meeting, and should supervise the external auditor's functioning.		
1.6.1 Functioning and appointment	The audit committee should report annually to the supervisory board on the functioning of, and the developments in, the relationship with the external auditor. The audit committee should advise the supervisory board regarding the external auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the external auditor. The audit committee should give due consideration to the management board's observations during the aforementioned work. Also on this basis, the supervisory board should determine its nomination for the appointment of the external auditor to the general meeting.	The principle is applied	
1.6.2 Informing the external auditor about their functioning	The supervisory board should give the external auditor a general idea of the content of the reports relating to their functioning.	The principle is applied	

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1.6.3 Engagement	The audit committee should submit a proposal to the supervisory board for the external auditor's engagement to audit the financial statements. The management board should play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be used and remuneration for the audit. The supervisory board should resolve on the engagement.	The principle is applied	
1.6.4 Accountability	The main conclusions of the supervisory board regarding the external auditor's nomination and the outcomes of the external auditor selection process should be communicated to the general meeting.	The principle is applied	
1.6.5 Departure of the external auditor	The company should publish a press release in the event of the early termination of the relationship with the external audit firm. The press release should explain the reasons for this early termination.	The principle is applied	This event has not occurred in the FY23 financial year.
Principle 1.7 Performance of the external auditor's work	The audit committee and the external auditor should discuss the audit plan and the findings of the external auditor based on the work the external auditor has undertaken. The management board and the supervisory board should maintain regular contact with the external auditor.		
1.7.1 Provision of information to the external auditor	The management board should ensure that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The management board should give the external auditor the opportunity to respond to the information that has been provided.	The principle is applied	
1.7.2 Audit plan and external auditor's findings	The external auditor should discuss the draft audit plan with the management board before presenting it to the audit committee. The audit committee should annually discuss with the external auditor:	The principle is applied	

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	<ul style="list-style-type: none"> i. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and ii. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter. 		
1.7.3 Publication of financial reports	The audit committee should determine whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the financial statements.	The principle is applied	
1.7.4 Consultations with the external auditor outside the management board's presence	The audit committee should meet with the external auditor as often as it considers necessary, but at least once per year, outside the presence of the management board.	The principle is applied	
1.7.5 Examination of discussion points arising between the external auditor and the management board	The supervisory board should be permitted to examine the most important points of discussion arising between the external auditor and the management board based on the draft management letter or the draft audit report.	The principle is applied	
1.7.6 External auditor's attendance of supervisory board meetings	The external auditor should in any event attend the meeting of the supervisory board at which the report of the external auditor on the audit of the financial statements is discussed.	The principle is applied	

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CHAPTER 2. EFFECTIVE MANAGEMENT AND SUPERVISION			
Principle 2.1 Composition and size	The management board and the supervisory board should be composed such that the requisite expertise, background, competencies and – as regards the supervisory board – independence are present for them to carry out their duties properly. The size of these two bodies reflects these requirements.		
2.1.1 Profile	<p>The supervisory board should prepare a profile, taking account of the nature and the activities of the enterprise affiliated with the company. The profile should address:</p> <ul style="list-style-type: none"> i. the desired expertise and background of the supervisory board members; ii. the desired diverse composition of the supervisory board, referred to in best practice provision 2.1.5; iii. the size of the supervisory board; and iv. the independence of the supervisory board members. <p>The profile should be posted on the company's website.</p>	The principle is applied	
2.1.2 Personal information	<p>The following information about each supervisory board member should be included in the report of the supervisory board:</p> <ul style="list-style-type: none"> i. gender; ii. age; iii. nationality; iv. principal position; 	The principle is applied	

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	<p>v. other positions, in so far as they are relevant to the performance of the duties of the supervisory board member;</p> <p>vi. date of initial appointment; and</p> <p>vii. current term of office.</p>		
2.1.3 Executive committee	<p>If the management board works with an executive committee, the management board should take account of the checks and balances that are part of the two-tier system. This means, among other things, that the management board's expertise and responsibilities are safeguarded and the supervisory board is informed adequately. The supervisory board should supervise this whilst paying specific attention to the dynamics and the relationship between the management board and the executive committee.</p> <p>In the management report, account should be rendered of:</p> <p>i. the choice to work with an executive committee;</p> <p>ii. the role, duty and composition of the executive committee; and</p> <p>iii. how the contacts between the supervisory board and the executive committee have been given shape.</p>	The principle is not applicable	Whilst a new Pepco Group Executive Committee has been set up (see announcement dated 28 September 2023), the Company continues to operate a one-tier board system.
2.1.4 Expertise	<p>Each supervisory board member and each management board member should have the specific expertise required for the fulfilment of his duties. Each supervisory board member should be capable of assessing the broad outline of the overall management.</p>	The principle is applied	
2.1.5 Diversity Policy	<p>The supervisory board should draw up a diversity policy for the composition of the management board, the supervisory board and, if applicable, the executive</p>	The principle is applied	

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	committee. The policy should address the concrete targets relating to diversity and the diversity aspects relevant to the company, such as nationality, age, gender, and education and work background.		
2.1.6 Accountability about diversity	<p>The corporate governance statement should explain the diversity policy and the way that it is implemented in practice, addressing:</p> <ul style="list-style-type: none"> i. the policy objectives; ii. how the policy has been implemented; and iii. the results of the policy in the past financial year. <p>If the composition of the management board and the supervisory board diverges from the targets stipulated in the company's diversity policy and/or the statutory target for the male/female ratio, if and to the extent that this is provided under or pursuant to the law, the current state of affairs should be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved.</p>	The principle is applied	
2.1.7 Independence of the supervisory board	<p>The composition of the supervisory board is such that the members are able to operate independently and critically vis-à-vis one another, the management board, and any particular interests involved. In order to safeguard its independence, the supervisory board is composed in accordance with the following criteria:</p> <ul style="list-style-type: none"> i. any one of the criteria referred to in best practice provision 2.1.8, sections i. to v. inclusive should be applicable to at most one supervisory board member; 	The principle is not applied	<p>The Company operates a one-tier Board which complies with principle 2.1.7(i). At the AGM held on 2 February 2023, Andy Bond was appointed non-executive member of the Board. Consequently, the Company does not meet the criteria under best practice provision 2.1.7(ii). At the same AGM, Trevor Masters was appointed executive member of the Board and Neil Galloway was confirmed as executive member of the Board from the date of his commencement in the role of CFO on 1 April 2023.</p>

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	<ul style="list-style-type: none"> ii. the total number of supervisory board members to whom the criteria referred to in best practice provision 2.1.8 are applicable should account for less than half of the total number of supervisory board members; and iii. for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii. 		<p>Following the three new appointments, the Board consists of four independent Non-Executive Directors, two Non-Executive Directors and one Executive Director.</p> <p>With regard to principle 2.1.7(iii), two Non-Executive Directors are appointed to the Board pursuant to arrangements between the Company's majority shareholder (which holds more than 10% of the shares of the Company) and certain of its creditors. This arrangement was entered into before the Company listed on the WSE.</p> <p>The conditions of appointment of the shareholder-nominated Non-Executive Directors are set out in a Relationship Agreement between the Company and certain affiliates of the Company's majority shareholder. A summary of the key terms of the Relationship Agreement is available on the Company's website.</p> <p>Given the nature of the Relationship Agreement, the independence of the supervisory board is not expected to change in the short term.</p>
<p>2.1.8 Independence of supervisory board members</p>	<p>A supervisory board member is not independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:</p> <ul style="list-style-type: none"> i. has been an employee or member of the management board of the company (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (Wet op het financieel toezicht/Wft)) in the five years prior to the appointment; 	<p>This principle is applied</p>	

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	<ul style="list-style-type: none"> ii. receives personal financial compensation from the company, or a company associated with it, 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; iii. has had an important business relationship with the company or a company associated with it 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 is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary or lawyer) and the case where the supervisory board member is a management board member or an employee of a bank with which the company has a lasting and significant relationship; iv. is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member; v. has temporarily performed management duties during the previous twelve months in the absence or incapacity of management board members; vi. has a shareholding in the company of at least ten percent, taking into account the shareholding of natural persons or legal entities cooperating with him or her on the basis of an express or tacit, verbal or written agreement; vii. is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which holds at least 		
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	ten percent of the shares in the company, unless the entity is a group company.		
2.1.9 Independence of the chairman of the supervisory board	The chairman of the supervisory board should not be a former member of the management board of the company and should be independent within the meaning of best practice provision 2.1.8.	The principle is not applied	Andy Bond was formerly CEO and Executive Director of the Company. Therefore, Andy Bond is non-independent Chair of the Board. With effect from 12 September, he is Executive Chair.
2.1.10 Accountability regarding supervisory board member independence	The report of the supervisory board should state that, in the opinion of the supervisory board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, should also state which supervisory board member(s), if any, it does not consider to be independent.	The principle is applied	
Principle 2.2 Appointment, succession and evaluation	The supervisory board should ensure that a formal and transparent procedure is in place for the appointment and reappointment of management board and supervisory board members, as well as a sound plan for the succession of management board and supervisory board members, with due regard to the diversity policy. The functioning of the management board and the supervisory board as a collective and the functioning of individual members should be evaluated on a regular basis.		
2.2.1 Appointment and reappointment periods - management board members	A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The diversity objectives from best practice provision 2.1.5 should be considered in the preparation of the appointment or reappointment.	The principle is applied	

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<p>2.2.2 Appointment and reappointment periods - supervisory board members</p>	<p>A supervisory board member is appointed for a period of four years and may then be reappointed once for another four-year period. The supervisory board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the supervisory board. In any appointment or reappointment, the profile referred to in best practice provision 2.1.1 should be observed.</p>	<p>The principle is not applied</p>	<p>Members of the Board are appointed for a period of three years and may then be reappointed twice for three-year periods. These appointment arrangements are common in the UK, and permitted under the WSE to which the Company is subject to. For these reasons, the status of compliance with 2.2.2 is not expected to change.</p>
<p>2.2.3 Early retirement</p>	<p>A member of the supervisory board or the management board should 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 the early retirement of a member of the management board or the supervisory board, the company should issue a press release mentioning the reasons for the departure.</p>	<p>The principle is applied</p>	
<p>2.2.4 Succession</p>	<p>The supervisory board should ensure that the company has a sound plan in place for the succession of management board and supervisory board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the profile referred to in best practice provision 2.1.1 in drawing up the plan for supervisory board members. The supervisory board should also draw up a retirement schedule in order to avoid, as much as possible, supervisory board members retiring simultaneously. The retirement</p>	<p>The principle is not applied</p>	<p>All members of the Board, save those mentioned in 2.1.7. above, were appointed during 2021. The term of appointment for the creditor-appointed Non-Executive Directors is determined by the Relationship Agreement, and the independent Non-Executive Directors have been appointed for a term of three years, capable of extension for a further two three-year terms. A retirement schedule is in place and has been published on the Company's website.</p>

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	schedule should be published on the company's website.		
2.2.5 Duties of the selection and appointment committee	<p>The selection and appointment committee should prepare the supervisory board's decision-making and report to the supervisory board on its deliberations and findings. The selection and appointment committee should in any event focus on:</p> <ul style="list-style-type: none"> i. drawing up selection criteria and appointment procedures for management board members and supervisory board members; ii. periodically assessing the size and composition of the management board and the supervisory board, and making a proposal for a composition profile of the supervisory board; iii. periodically assessing the functioning of individual management board members and supervisory board members, and reporting on this to the supervisory board; iv. drawing up a plan for the succession of management board members and supervisory board members; v. making proposals for appointments and reappointments; and vi. supervising the policy of the management board regarding the selection criteria and appointment procedures for senior management. 	The principle is applied	
2.2.6 Evaluation by the supervisory board	At least once per year, outside the presence of the management board, the supervisory board should evaluate its own functioning, the functioning of the various committees of the supervisory board and that of the individual supervisory board members, and should discuss the conclusions that are attached to the evaluation.	The principle is applied	

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	In doing so, attention should be paid to: <ul style="list-style-type: none"> i. substantive aspects, the mutual interaction and the interaction with the management board; ii. events that occurred in practice from which lessons may be learned; and iii. the desired profile, composition, competencies and expertise of the supervisory board. 		
2.2.7 Evaluation of the management board	At least once per year, outside the presence of the management board, the supervisory board should evaluate both the functioning of the management board as a whole and that of the individual management board members, and should discuss the conclusions that must be attached to the evaluation, such also in light of the succession of management board members. At least once annually, the management board, too, should evaluate its own functioning as a whole and that of the individual management board members.	The principle is applied	
2.2.8 Evaluation accountability	The supervisory board's report should state: <ul style="list-style-type: none"> i. how the evaluation of the supervisory board, the various committees and the individual supervisory board members has been carried out; ii. how the evaluation of the management board and the individual management board members has been carried out; and iii. what has been or will be done with the conclusions from the evaluations. 	The principle is applied	
Principle 2.3 Organisation of the supervisory board and reports	The supervisory board should ensure that it functions effectively. The supervisory board should establish committees to prepare the supervisory board's decision-making. The foregoing does not affect the responsibility of the supervisory board as an organ and of the individual members of the supervisory		

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	board for obtaining information and forming an independent opinion.		
2.3.1 Supervisory board's terms of reference	The division of duties within the supervisory board and the procedure of the supervisory board should be laid down in terms of reference. The supervisory board's terms of reference should include a paragraph dealing with its relations with the management board, the general meeting, the employee participation body (if any) and the executive committee (if any). The terms of reference should be posted on the company's website.	The principle is applied	
2.3.2 Establishment of committees	If the supervisory board consists of more than four members, it should appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. Without prejudice to the collegiate responsibility of the supervisory board, the duty of these committees is to prepare the decision-making of the supervisory board. If the supervisory board decides not to establish an audit committee, a remuneration committee or a selection and appointment committee, the best practice provisions applicable to such committee(s) should apply to the entire supervisory board.	The principle is applied	
2.3.3 Committees' terms of reference	The supervisory board should draw up terms of reference for the audit committee, the remuneration committee and the selection and appointment committee. The terms of reference should indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference should be posted on the company's website.	The principle is applied	

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2.3.4 Composition of the committees	The audit committee or the remuneration committee should not be chaired by the chairman of the supervisory board or by a former member of the management board of the company. More than half of the members of the committees should be independent within the meaning of best practice provision 2.1.8.	The principle is applied	
2.3.5 Committee reports	The supervisory board should receive from each of the committees a report of their deliberations and findings. In the report of the supervisory board it should comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings should be mentioned.	The principle is applied	
2.3.6 Chairman of the supervisory board	The chairman of the supervisory board should in any case ensure that: <ul style="list-style-type: none"> i. the supervisory board has proper contact with the management board, the employee participation body (if any) and the general meeting; ii. the supervisory board elects a vice-chairman; iii. there is sufficient time for deliberation and decision-making by the supervisory board; iv. the supervisory board members receive all information that is necessary for the proper performance of their duties in a timely fashion; v. the supervisory board and its committees function properly; vi. the functioning of individual management board members and supervisory board members is assessed at least annually; 	The principle is applied	

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	<ul style="list-style-type: none"> vii. the supervisory board members and management board members follow their induction programme; viii. the supervisory board members and management board members follow their education or training programme; ix. the management board performs activities in respect of culture; x. the supervisory board recognises signs from the enterprise affiliated with the company and ensures that any (suspicion of) material misconduct and irregularities are reported to the supervisory board without delay; xi. the general meeting proceeds in an orderly and efficient manner; xii. effective communication with shareholders is assured; and xiii. the supervisory board is involved closely, and at an early stage, in any merger or takeover processes. <p>The chairman of the supervisory board should consult regularly with the chairman of the management board.</p>		
2.3.7 Vice-chairman of the supervisory board	The vice-chairman of the supervisory board should deputise for the chairman when the occasion arises.	The principle is applied	
2.3.8 Delegated supervisory board member	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 the company. Its	The principle is not applicable	No such delegated supervisory board member has been appointed, the Company operates a one tier board.

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	purpose is more intensive supervision and advice and more regular consultation with the management board. The delegation should 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 member of the supervisory board and should report regularly on the execution of his special duty to the plenary supervisory board.		
2.3.9 Temporary management board function of a supervisory board member	A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfil their duties, should resign from the supervisory board.	The principle is not applicable	The Company operates a one tier board.
2.3.10 Company Secretary	<p>The supervisory board should be supported by the company secretary. The secretary:</p> <ul style="list-style-type: none"> i. should ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with; ii. should facilitate the provision of information of the management board and the supervisory board; and iii. should support the chairman of the supervisory board in the organisation of the affairs of the supervisory board, including the provision of information, meeting agendas, evaluations and training programmes. <p>The company secretary should, either on the motion of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.</p>	The principle is applied	

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	If the secretary also undertakes work for the management board and notes that the interests of the management board and the supervisory board diverge, as a result of which it is unclear which interests the secretary should represent, the secretary should report this to the chairman of the supervisory board.		
2.3.11 Report of the supervisory board	The annual statements of the company include a report by the supervisory board. In this report, the supervisory board should render account of the supervision conducted in the past financial year, reporting in any event on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.	The principle is applied	
Principle 2.4 Decision-making and functioning	The management board and the supervisory board should ensure that decisions are made in a balanced and effective manner whilst taking account of the interests of stakeholders. The management board should ensure that information is provided in a timely and sound manner. The management board and the supervisory board should keep their knowledge and skills up to date and spend sufficient time on their duties and responsibilities. They should ensure that, in performing their duties, they have the information that is required for effective decision-making.		
2.4.1 Stimulating openness and accountability	The management board and the supervisory board are each responsible for stimulating openness and accountability within the organ of which they form part, and between the different organs within the company.	The principle is applied	
2.4.2 Other positions	Management board members and supervisory board members should report any other positions they may	The principle is applied	

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	have to the supervisory board in advance and, at least annually, the other positions should be discussed at the supervisory board meeting. The acceptance of membership of a supervisory board by a management board member requires the approval of the supervisory board.		
2.4.3 Point of contact for the functioning of supervisory board and management board members	The chairman of the supervisory board should act on behalf of the supervisory board as the main contact for the management board, supervisory board members and shareholders regarding the functioning of management board members and supervisory board members. The vice-chairman should act as contact for individual supervisory board members and management board members regarding the functioning of the chairman.	The principle is applied	
2.4.4 Attendance at supervisory board meetings	Supervisory board members should attend supervisory board meetings and the meetings of the committees of which they are a part. If supervisory board members are frequently absent from these meetings, they should be held to account on this. The report of the supervisory board should state the absenteeism rate from supervisory board and committee meetings of each supervisory board member.	The principle is applied	
2.4.5 Induction programme for supervisory board members	All supervisory board members should follow an induction programme geared to their role. The induction programme should in any event cover general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the relevant company and its business activities, the company culture and the relationship with the employee participation body (if any), and the responsibilities of a supervisory board member.	The principle is applied	

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2.4.6 Development	The management board and the supervisory board should each conduct an annual review for their own organ to identify any aspects with regard to which the supervisory board members and management board members require training or education.	The principle is applied	
2.4.7 Information safeguards	The management board should ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the management board and the supervisory board in a timely fashion. The supervisory board should supervise the establishment and implementation of these procedures.	The principle is applied	
2.4.8 Supervisory board members' responsibility for obtaining information	The supervisory board and each individual supervisory board member have their own responsibility for obtaining the information from the management board, 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 as a supervisory organ properly.	The principle is applied	Note that the Company operates a one tier board, and therefore the reference to 'management board' should be disregarded.
2.4.9 Obtaining information from officers and external parties	If the supervisory board considers it necessary, it may obtain information from officers and external advisers of the company. The company should provide the necessary means to this end. The supervisory board may require that certain officers and external advisers attend its meetings.	The principle is applied	
Principle 2.5 Culture	The management board is responsible for creating a culture aimed at long-term value creation for the company and its affiliated enterprise. The supervisory board should supervise the activities of the management board in this regard.		
2.5.1 Management board's	The management board should adopt values for the company and its affiliated enterprise that contribute to a culture focused on long-term value creation, and	The principle is applied	

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responsibility for culture	<p>discuss these with the supervisory board. The management board is responsible for the incorporation and maintenance of the values within the company and its affiliated enterprise. Attention must be paid to the following, among other things:</p> <ul style="list-style-type: none"> i. the strategy and the business model; ii. the environment in which the enterprise operates; and iii. the existing culture within the enterprise, and whether it is desirable to implement any changes in this. <p>The management board encourages behaviour that is in keeping with the values, and propagates these values through leading by example.</p>		
2.5.2 Code of Conduct	<p>The management board should draw up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the company. The management board should inform the supervisory board of its findings and observations relating to the effectiveness of, and compliance with, the code. The code of conduct will be published on the company's website.</p>	The principle is not applied	<p>The Company does not currently have a Group-wide Code of Conduct. Most of the subject matter which is traditionally included in a Code of Conduct is included in established policies and procedures in place across the Group. However, the Company intends to consider the introduction of a group-wide Code of Conduct in FY24.</p>
2.5.3 Employee participation	<p>If the company has established an employee participation body, the conduct and culture in the company and its affiliated enterprise should also be discussed in the consultations between the management board, the supervisory board and such employee participation body.</p>	The principle is not applicable	No employees in the Netherlands.
2.5.4 Accountability regarding culture	<p>In the management report, the management board should explain:</p>	The principle is not applied	<p>The Company does not currently have a Group-wide Code of Conduct. Most of the subject matter which is traditionally included in a Code of Conduct is included in established policies and procedures in place across</p>

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	<ul style="list-style-type: none"> i. the values and the way in which they are incorporated in the company and its affiliate enterprise; and ii. the effectiveness of, and compliance with, the code of conduct. 		the Group. However, the Company intends to consider the introduction of a group-wide Code of Conduct in the new fiscal year.
Principle 2.6 Misconduct and irregularities	The management board and the supervisory board should be alert to indications of actual or suspected misconduct or irregularities. The management board should establish a procedure for reporting actual or suspicion of misconduct or irregularities, and take appropriate follow-up action on the basis of these reports. The supervisory board monitors the management board in this.		
2.6.1 Procedure for reporting actual or suspicion of misconduct or irregularities	The management board should establish a procedure for reporting actual or suspected irregularities within the company and its affiliated enterprise. The procedure will be published on the company's homepage. The management board should ensure that employees have the opportunity to file a report without jeopardising their legal position.	The principle is applied	
2.6.2 Informing the chairman of the supervisory board	The management board should inform the chairman of the supervisory board without delay of any signs of actual or suspected material misconduct or irregularities within the company and its affiliated enterprise. If the actual or suspected misconduct or irregularity pertains to the functioning of a management board member, employees can report this directly to the chairman of the supervisory board.	The principle is applied	
2.6.3 Notification by the external auditor	The external auditor should inform the chairman of the audit committee without delay if, during the performance of his duties, he discovers or suspect an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the	The principle is applied	

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	functioning of a management board member, the external auditor should report this directly to the chairman of the supervisory board.		
2.6.4 Oversight by the supervisory board	The supervisory board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the management board itself is involved, the supervisory board should have the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.	The principle is applied	
Principle 2.7 Preventing conflicts of interest	Any form of conflict of interest between the company and the members of its management board or supervisory board should be prevented. To avoid conflicts of interest, adequate measures should be taken. The supervisory board is responsible for the decision-making on dealing with conflicts of interest regarding management board members, supervisory board members and majority shareholders in relation to the company.		
2.7.1 Preventing conflicts of interest	Management board members and supervisory board members are alert to conflicts of interest and should in any case refrain from the following: <ul style="list-style-type: none"> i. competing with the company; ii. demanding or accepting substantial gifts from the company for themselves or their spouse, registered partner or other life companion, foster 	The principle is applied	

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	<p>child or relative by blood or marriage up to the second degree;</p> <p>iii. providing unjustified advantages to third parties at the company's expense;</p> <p>iv. taking advantage of business opportunities to which the company is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.</p>		
2.7.2 Terms of reference	<p>The terms of reference of the supervisory board should contain rules on dealing with conflicts of interest, including conflicting interests between management board members and supervisory board members on the one hand and the company on the other. The terms of reference should also stipulate which transactions require the approval of the supervisory board. The company should draw up regulations governing ownership of, and transactions in, securities by management or supervisory board members, other than securities issued, by the company.</p>	The principle is applied	
2.7.3 Reporting	<p>A conflict of interest may exist if the company intends to enter into a transaction with a legal entity:</p> <p>i. in which a member of the management board or the supervisory board personally has a material financial interest; or</p> <p>ii. which has a member of the management board or the supervisory board who is related under family law to a member of the management board or the supervisory board of the company.</p> <p>A management board member should report any potential conflict of interest in a transaction that is of</p>	The principle is applied	

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	<p>material significance to the company and/or to such management board member to the chairman of the supervisory board and to the other members of the management board without delay. The management board member should provide all relevant information in that regard, including the information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. A supervisory board member should report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the company and/or to such supervisory board member to the chairman of the supervisory board without delay and should provide all relevant information in that regard, including the relevant information pertaining to his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest, he should report this to the vice-chairman of the supervisory board without delay.</p> <p>The supervisory board should decide, outside the presence of the management board member or supervisory board member concerned, whether there is a conflict of interest.</p>		
<p>2.7.4 Accountability regarding transactions: management</p>	<p>All transactions in which there are conflicts of interest with management board members or supervisory board members should be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest</p>	<p>The principle is applied</p>	

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board and supervisory board members	with management board members or supervisory board members that are of material significance to the company and/or to the relevant management board members or supervisory board members should require the approval of the supervisory board. Such transactions should be published in the management report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 have been complied with.		
2.7.5 Accountability regarding transactions: majority shareholders	All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the company and/or to such persons should require the approval of the supervisory board. Such transactions should be published in the management report, together with a declaration that best practice provision 2.7.5 has been complied with.	The principle is applied	
2.7.6 Personal loans	The company should not grant its management board members 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 should be granted.	The principle is applied	
Principle 2.8 Takeover situations	In the event of a takeover bid for the company's shares or for the depositary receipts for the company's shares, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure		

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	of the organisation, both the management board and the supervisory board should ensure that the stakeholder interests concerned are carefully weighed and any conflict of interest for supervisory board members or management board members is avoided. The management board and the supervisory board should be guided in their actions by the interests of the company and its affiliated enterprise.		
2.8.1 Supervisory board involvement	When a takeover bid for the company's shares or for the depositary receipts for the company's shares is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the management board should ensure that the supervisory board is involved in the takeover process and/or the change in the structure closely and in a timely fashion.	The principle is applied	
2.8.2 Informing the supervisory board about request for inspection by competing bidder	If a takeover bid has been announced for the shares, or depositary receipts for shares, in the company, and the management board receives a request from a competing bidder to inspect the company's records, the management board should discuss this request with the supervisory board without delay.	The principle is applied	
2.8.3 Management board's position on a private bid	If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the management board of the company should as soon as possible make public its position on the bid and the reasons for this position.	The principle is applied	

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CHAPTER 3. REMUNERATION			
Principle 3.1 Remuneration policy – management board	The remuneration policy applicable to management board members should be clear and understandable, should focus on long-term value creation for the company and its affiliated enterprise, and take into account the internal pay ratios within the enterprise. The remuneration policy should not encourage management board members to act in their own interest, nor to take risks that are not in keeping with the strategy formulated and the risk appetite that has been established. The supervisory board is responsible for formulating the remuneration policy and its implementation.		
3.1.1 Remuneration policy proposal	The remuneration committee should submit a clear and understandable proposal to the supervisory board concerning the remuneration policy to be pursued with regard to the management board. The supervisory board should present the policy to the general meeting for adoption.	The principle is applied	
3.1.2 Remuneration policy	The following aspects should in any event be taken into consideration when formulating the remuneration policy: i. the objectives for the strategy for the implementation of long-term value creation within the meaning of best practice provision 1.1.1; ii. the scenario analyses carried out in advance; iii. the pay ratios within the company and its affiliated enterprise; iv. the development of the market price of the shares; v. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable	The principle is applied	

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	<p>performance criteria determined in advance, which are predominantly long-term in character;</p> <p>vi. if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and</p> <p>vii. 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.</p>		
3.1.3 Remuneration – executive committee	<p>If the management board works with an executive committee, the management board should inform the supervisory board about the remuneration of the members of the executive committee who are not management board members. The management board should discuss this remuneration with the supervisory board annually.</p>	The principle is applied	
Principle 3.2 Determination of management board remuneration	<p>The supervisory board should determine the remuneration of the individual members of the management board, within the limits of the remuneration policy adopted by the general meeting. The remuneration committee should prepare the supervisory board’s decision-making regarding the determination of remuneration.</p> <p>The inadequate performance of duties should not be rewarded.</p>		
3.2.1 Remuneration committee’s proposal	<p>The remuneration committee should submit a proposal to the supervisory board concerning the remuneration of individual members of the management board. The proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the</p>	The principle is applied	

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	remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise.		
3.2.2 Management board members' views on their own remuneration	When drafting the proposal for the remuneration of management board members, the remuneration committee should take note of individual management board members' views with regard to the amount and structure of their own remuneration. The remuneration committee should ask the members of the management board to pay attention to the aspects referred to in best practice provision 3.1.2.	The principle is applied	
3.2.3 Severance payments	The remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the management board member, or in the event of seriously culpable or negligent behaviour on the part of the management board member.	The principle is applied	
Principle 3.3 Remuneration - supervisory board	The supervisory board should submit a clear and understandable proposal for its own appropriate remuneration to the general meeting. The remuneration of supervisory board members should promote an adequate performance of their role and should not be dependent on the results of the company.		
3.3.1 Time spent and responsibility	The remuneration of the supervisory board members should reflect the time spent and the responsibilities of their role.	The principle is applied	
3.3.2 Remuneration	Supervisory board members may not be awarded remuneration in the form of shares and/or rights to shares.	The principle is not applied	In respect of work undertaken by them in relation to and in preparation for roles as Board members, in the period prior to the Company's listing on the WSE one-

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of supervisory board member			off fees were paid to Richard Burrows, Brendan Connolly, María Fernanda Mejía, Grazyna Piotrowska-Oliwa and Pierre Bouchut which were used by these individuals to subscribe for shares in the Company on admission to the WSE (at the admission offer price). Shares acquired by these Board members on admission must be held until the later of (i) 26 May 2024; or (ii) the first anniversary of the date on which the relevant Board member ceases his or her directorship of the Company. Further, as approved at the AGM in February 2023, Andy Bond is a participant of the Value Creation Plan.
3.3.3 Share ownership	Shares held by a supervisory board member in the company on whose supervisory board they serve should be long-term investments.	The principle is applied	
Principle 3.4 Accountability for implementation of remuneration policy	In the remuneration report, the supervisory board should render account of the implementation of the remuneration policy in a transparent manner. The report should be posted on the company's website.		
3.4.1 Remuneration report	The remuneration committee should prepare the remuneration report. This report should in any event describe, in a transparent manner, in addition to the matters required by law: <ul style="list-style-type: none"> i. how the remuneration policy has been implemented in the past financial year; ii. how the implementation of the remuneration policy contributes to long-term value creation; iii. that scenario analyses have been taken into consideration; iv. the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these 	The principle is applied	

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	<p>ratios in comparison with the previous financial year;</p> <p>v. in the event that a management board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and</p> <p>vi. in the event that a current or former management board member receives a severance payment, the reason for this payment.</p>		
3.4.2 Agreement of management board member	<p>The main elements of the agreement of a management board member with the company should be published on the company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the management board member will be proposed.</p>	The principle is applied	
CHAPTER 4. THE GENERAL MEETING			
Principle 4.1 The general meeting	<p>The general meeting should be able to exert such influence on the policies of the management board and the supervisory board of the company that it plays a fully-fledged role in the system of checks and balances in the company. Good corporate governance requires the fully-fledged participation of shareholders in the decision-making in the general meeting.</p>		

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4.1.1 Supervisory board supervision	The supervisory board's supervision of the management board should include the supervision of relations with shareholders.	The principle is not applicable	The Company operates a one tier board.
4.1.2 Proper conduct of business at meetings	The chairman of the general meeting is responsible for ensuring the proper conduct of business at meetings in order to promote a meaningful discussion at the meeting.	The principle is applied	
4.1.3 Agenda	<p>The agenda of the general meeting should list which items are up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items:</p> <ul style="list-style-type: none"> i. material changes to the articles of association; ii. proposals relating to the appointment of management board and supervisory board members; iii. the policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend); iv. any proposal to pay out dividend; v. resolutions to approve the management conducted by the management board (discharge of management board members from liability); vi. resolutions to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability); vii. each substantial change in the corporate governance structure of the company and in the compliance with this Code; and viii. the appointment of the external auditor. 	The principle is applied	

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4.1.4 Proposal for approval or authorisation	A proposal for approval or authorisation by the general meeting should be explained in writing. In its explanation the management board should deal with all facts and circumstances relevant to the approval or authorisation to be granted. The notes to the agenda should be posted on the company's website.	The principle is applied	
4.1.5 Shareholder's explanation when exercising the right to put items on the agenda	If a shareholder has arranged for an item to be put on the agenda, he should explain this at the meeting and, if necessary, answer questions about it.	The principle is applied	
4.1.6 Placing of items on the agenda by shareholders	A shareholder should only exercise the right to put items on the agenda after they have consulted with the management board on this. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example as a result of the dismissal of one or several management board or supervisory board members, the management board should be given the opportunity to stipulate a reasonable period in which to respond (the response time). The opportunity to stipulate the response time should also apply to an intention as referred to above for judicial leave to call a general meeting pursuant to Section 2:110 of the Dutch Civil Code. The relevant shareholder should respect the response time stipulated by the management board, within the meaning of best practice provision 4.1.7.	The principle is applied	
4.1.7 Stipulation of the response time	If the management board stipulates a response time, this should be a reasonable period that does not exceed 180 days from the moment the management	The principle is applied	

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	<p>board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The management board should use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s), and should explore the alternatives. At the end of the response time, the management board should report on this consultation and the exploration to the general meeting. This should be monitored by the supervisory board. The response time may be stipulated only once for any given general meeting and should not apply to an item in respect of which the response time had been previously stipulated, or to meetings where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public bid.</p>		
4.1.8 Attendance of members nominated for the management board or supervisory board	<p>Management board and supervisory board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination.</p>	The principle is applied	
4.1.9 External auditor's attendance	<p>The external auditor may be questioned by the general meeting in relation to his report on the fairness of the financial statements. The external auditor should for this purpose attend and be entitled to address this meeting.</p>	The principle is applied	
4.1.10 General meeting's report	<p>The report of the general meeting should be made available, on request, to the shareholders no later</p>	The principle is applied	

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	than three months after the end of the meeting, after which shareholders should have the opportunity to react to the report in the following three months. The report should then be adopted in the manner provided for in the articles of association.		
Principle 4.2 Provision of information	The management board and the supervisory board should ensure that the general meeting is adequately provided with information.		
4.2.1 Substantiation of invocation of overriding interest	If the management board and the supervisory board decide not to provide the general meeting with all information desired with the invocation of an overriding interest on the part of the company, they must give reasons for this.	The principle is applied	
4.2.2 Policy on bilateral contacts with shareholders	The company should formulate an outline policy on bilateral contacts with the shareholders and should post this policy on its website.	The principle is applied	
4.2.3 Meetings and presentations	Analyst meetings, analyst presentations, presentations to institutional or other investors and press conferences should be announced in advance on the company's website and by means of press releases. Analysts' meetings and presentations to investors should not take place shortly before the publication of the regular financial information. All shareholders should be able to follow these meetings and presentations in real time, by means of webcasting, telephone or otherwise. After the meetings, the presentations should be posted on the company's website.	The principle is applied	
4.2.4 Posting information in a separate section of the website	The company should post and update information which is relevant to the shareholders and which it is required to publish or submit pursuant to the provisions of company law and securities law	The principle is applied	

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	applicable to it in a separate section of the company's website.		
4.2.5 Management board contacts with press and analysts	The contacts between the management board on the one hand and the press and financial analysts on the other should be handled and structured carefully and with due observance of the applicable laws and regulations. The company should not do anything that might compromise the independence of analysts in relation to the company and vice versa.	The principle is applied	
4.2.6 Outline of anti-takeover measures	The management board should outline all existing or potential anti-takeover measures in the management report and should also indicate in what circumstances and by whom these measures may likely be used.	The principle is applied	The Company has no anti-takeover measures.
Principle 4.3 Casting votes	Participation of as many shareholders as possible in the general meeting's decision-making is in the interest of the company's checks and balances. The company should, in so far as possible, give shareholders the opportunity to vote by proxy and to communicate with all other shareholders.		
4.3.1 Voting as deemed fit	A shareholder should vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgment on the voting policy or the voting advice provided by this adviser.	This principle is not applicable	
4.3.2 Providing voting proxies or voting instructions	The company should give shareholders and other persons entitled to vote the possibility of issuing voting proxies or voting instructions, respectively, to an independent third party prior to the general meeting.	The principle is applied	
4.3.3 Cancelling the binding nature of a	The general meeting of shareholders of a company not having statutory two-tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the	The principle is applied	

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nomination or dismissal	management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.		
4.3.4 Voting right on financing preference shares	The voting right attaching to financing preference shares should be based on the fair value of the capital contribution.	The principle is not applicable	The Company does not have preference shares
4.3.5 Publication of institutional investors' voting policy	Institutional investors (pension funds, insurers, investment institutions and asset managers) should post annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.	The principle is not applicable	
4.3.6 Report on the implementation of institutional investors' voting policy	Institutional investors should report annually on their website and/or in their management report, on how they implemented their policy on the exercise of the voting rights in the relevant financial year. In addition, they should report on their website at least once per quarter on whether and, if so, how they have voted as shareholders at general meetings. This report will be posted on the website of the institutional investor.	The principle is not applicable	

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<p>Principle 4.4 Issuing depository receipts for shares</p>	<p>Depository receipts for shares can be a means of preventing a majority (including a chance majority) of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting. Depository receipts for shares should not be issued as an anti-takeover protective measure. The board of the trust office should issue voting proxies under all circumstances and without limitations to all depository receipt holders who request this. The holders of depository receipts so authorised can exercise the voting right at their discretion. The board of the trust office should have the confidence of the holders of depository receipts. Depository receipt holders should have the possibility of recommending candidates for the board of the trust office. The company should not disclose to the trust office information which has not been made public.</p>		<p>This section is not applicable.</p>
<p>4.4.1 Trust office board</p>	<p>The board of the trust office should have the confidence of the holders of depository receipts and operate independently of the company that has issued the depository receipts. The trust conditions should specify in what cases and subject to what conditions holders of depository receipts may request the trust office to call a meeting of holders of depository receipts.</p>	<p>The principle is not applicable</p>	
<p>4.4.2 Appointment of board members</p>	<p>The board members of the trust office should be appointed by the board of the trust office, after the job opening has been announced on the website of the trust office. The meeting of holders of depository receipts may make recommendations to the board of the trust office for the appointment of persons to the position of board member. No management board members or former management board members,</p>	<p>The principle is not applicable</p>	

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	supervisory board members or former supervisory board members, employees or permanent advisers of the company should be a member of the board of the trust office.		
4.4.3 Board appointment period	A person may be appointed to the board of the trust office for a maximum of two four-year terms, followed by a maximum of two two-year terms. In the event of a reappointment after an eight-year period, reasons should be given in the report of the board of the trust office.	The principle is not applicable	
4.4.4 Attendance of the general meeting	The board of the trust office should attend the general meeting and should, if desired, make a statement about how it proposes to vote at the meeting.	The principle is not applicable	
4.4.5 Exercise of voting rights	In exercising its voting rights, the trust office should be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and the enterprise affiliated with it into account.	The principle is not applicable	
4.4.6 Periodic reports	The trust office should report periodically, but at least once per year, on its activities. The report should be posted on the company's website.	The principle is not applicable	
4.4.7 Contents of the reports	The report referred to in best practice provision 4.4.6 should, in any event, set out: <ul style="list-style-type: none"> i. the number of shares for which depositary receipts have been issued and an explanation of changes to this number; ii. the work carried out in the financial year; iii. the voting behaviour in the general meetings held in the financial year; iv. the percentage of votes represented by the trust office during the meetings referred to under iii.; v. the remuneration of the members of the board of the trust office; 	The principle is not applicable	

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	<ul style="list-style-type: none"> vi. the number of meetings held by the management and the main items dealt with in them; vii. the costs of the activities of the trust office; viii. any external advice obtained by the trust office; ix. the (other) positions held by the board members of the trust office; and x. the contact details of the trust office. 		
4.4.8 Voting proxies	The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf.	The principle is not applicable	
CHAPTER 5. ONE-TIER GOVERNANCE STRUCTURE			
Principle 5.1 One-tier governance structure	The composition and functioning of a management board comprised of both executive and non-executive directors must be such that the supervision by non-executive directors is properly carried out, and independent supervision can be assured.		
5.1.1 Composition of the management board	The majority of the management board is made up of non-executive directors. The requirements for independence stipulated in best practice provisions 2.1.7 and 2.1.8 apply to the non-executive directors.	The principle is applied	
5.1.2 Chairman of the management board	The chairman of the management board chairs the meetings of the management board. The chairman of the management board should ensure that the management board as a collective, as well as the	The principle is applied	

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	management board's committees, have a balanced composition and function properly.		
5.1.3 Independence of the chairman of the management board	The chairman of the management board should not be an executive director or former executive director of the company, and should be independent within the meaning of best practice provision 2.1.8.	The principle is not applied	Andy Bond was formerly CEO and executive director of the Company. Therefore, Andy Bond does not qualify as independent within the meaning of best practice provision 2.1.8.
5.1.4 Composition of committees	The committees referred to in best practice 2.3.2 should be comprised exclusively of non-executive directors. Neither the audit committee nor the remuneration committee can be chaired by the chairman of the management board or by a former executive director of the company.	The principle is applied	
5.1.5 Accountability for supervision by non-executive directors	The non-executive directors render account of the supervision exercised in the past financial year. They should, as a minimum, report on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.	The principle is applied	