



## **Committee regulations**

(UNOFFICIAL TRANSLATION)

### *0. Introduction*

- 0.1. These Regulations have been drawn up pursuant to article 14.2 of the Articles of Association of the Stichting Eumedion, hereinafter the Foundation.
- 0.2. These Regulations will be published on the website of the Foundation.
- 0.3. The meanings of a number of concepts used in these Regulations, either written with a capital letter or not, are listed in the Definitions in the appendix.

### *1. Committees: general*

- 1.1. The Foundation has Committees that advise and assist the General and Executive Board with regard to its work and prepare its decisions.
- 1.2. The General Board may form temporary or permanent Committees.
- 1.3. Representatives of all Ordinary Members and of all Associate Members may become members of the Committees. The members have relevant knowledge and experience in the fields that come under the responsibility of the Committee in question.
- 1.4. The Executive Director of the Foundation is a member of each Committee and acts as secretary to each one.
- 1.5. A representative of an Ordinary Member may become a member of a Committee on the invitation of the chair of the Committee, the Executive Board and the Executive Director of the Foundation, or may apply for membership on his/her own initiative. A representative of an Associate Member may become a member of a Committee on the invitation of the chair of the Committee, the Executive Board and the Executive Director of the Foundation, after the approval of the General Board has been obtained. Membership is terminated as a result of termination of the contractual legal relationship in the administrative, employment, or other sense between the committee member and the Ordinary Member.

- 1.6. The members of a Committee elect a chair from their number, unless the General Board objects to the nomination. The chair shall be appointed for a period of no longer than two years. The resigning chair may be reappointed immediately, subject to the provision that he may be chairman for a continuous period of no longer than six years. The chair prepares the agenda for the meetings. A person designated by the chair for this purpose makes a record of the proceedings of the meeting and this record is confirmed in the next meeting. Members may decide to remove the chair in case of insufficient fulfilment of tasks or other important reasons.
- 1.7. The Executive Director of the Foundation reports to the General and Executive Board on behalf of the Committees. The chairs of the Committees are entitled to take part in the meetings of the General Board and have an advisory voice at these meetings.
- 1.8. Every Committee meets as often as it considers necessary, but with a frequency of no less than twice a year.
- 1.9. Except in urgent circumstances, invitations for the meetings will be sent to committee members no later than five days in advance accompanied by the agenda. A Committee may also meet by telephone or by other means of communication.
- 1.10. Each member of a Committee treats the information from the meetings as confidential. No member of a Committee is permitted to use the information from the meetings for his/her own personal benefit in any way whatsoever.
- 1.11. Each member of a Committee is entitled to request that a subject be placed on the agenda of the relevant Committee. The chair of the Committee may only reject a request of this kind by providing reasons for doing so.
- 1.12. The Committees themselves may decide to apply for external advice on a subject to be dealt with, to a maximum sum stipulated in advance by the General Board. If this sum has already been exceeded, the decision on the application rests with the Executive Board.
- 1.13. The Committees may invite external experts and members of another Committee to attend a meeting.
- 1.14. Each Committee must inform the General Board clearly and promptly on the performance of its tasks and about important developments in the field for which it is responsible. All members of the General Board have free access to all meetings of the Committees and to all information that the Committees have. At the request of the General Board, a Committee provides the General Board with a report of the Committee's deliberations and findings.
- 1.15. The General Board draws up Regulations for each Committee and these Regulations set out the tasks and areas of interest for which the relevant Committee is responsible. The

General Board may occasionally amend the Regulations, and consultations on this subject are held with the chairman of the Committee prior to the amendment of the Regulations.

1.16. The membership of the Committees is published on the Foundation's website.

## *2. Legal Committee*

2.1. The Legal Committee deals with issues in the following fields as a matter of policy:

- a. shareholders' rights;
- b. mergers, takeovers and anti-takeover mechanisms;
- c. relocation of registered office;
- d. management structure;
- e. remuneration of executives and supervisory directors;
- f. provision of information to shareholders;
- g. Netherlands Corporate Governance Code;
- h. modern means of communication in the decision-making process at the general meetings of shareholders (including electronic voting, proxy voting and proxy solicitation);
- i. voting policy of and exercise of voting rights by institutional investors;
- j. share lending.

2.2. The tasks of the legal committee include at least the following:

- a. to initiate lobbying for the amendment of (national and European) legislation and regulations in the fields referred to under article 2.1. of these Regulations;
- b. to monitor the proposals for the amendment of (national and international) legislation and regulations in the fields referred to under article 2.1. of these Regulations and to inform the General and Executive Board on this subject;
- c. to analyse the monitoring reports of the Monitoring Committee Corporate Governance Code;
- d. to draft responses to consultation documents and discussion papers in the fields referred to under article 2.1. of these Regulations;
- e. to monitor jurisprudence in the field of corporate governance;
- f. to maintain contacts with the relevant policy-makers and sectoral organizations;
- g. to propagate the views of the Foundation in the fields referred to under article 2.1. of these Regulations, by means of publishing articles for example, or giving lectures.

### *3. Audit Committee*

- 3.1. The Audit Committee deals with issues in the following fields as a matter of policy:
  - a. financial reporting;
  - b. risk control and risk management;
  - c. the role and responsibility of the audit committee of the supervisory board;
  - d. the role and independence of the external auditor.
- 3.2. The tasks of the Audit Committee include at least the following:
  - a. to initiate lobbying for the amendment of (national and European) legislation and regulations in the fields referred to under article 3.1. of these Regulations;
  - b. to monitor the proposals for the amendment of (national and international) legislation and regulations in the fields referred to under article 3.1. of these Regulations and to inform the General and Executive Board on this subject;
  - c. to draft responses to consultation documents and discussion papers in the fields referred to under article 3.1. of these Regulations;
  - d. to maintain contacts with the relevant policy-makers and sectoral organizations;
  - e. to propagate the views of the Foundation in the fields referred to under article 3.1. of these Regulations, by means of publishing articles for example, or giving lectures.

### *4. Investment Committee*

- 4.1. Throughout the year, the Investment Committee informs the Executive Board of current and material corporate governance issues of importance at individual listed companies and of flagrant breaches of the accepted corporate governance standards by individual listed companies, in addition to advising the Executive Board on concrete steps to be taken with respect to the listed companies in question or the policy-makers. The Investment Committee also discusses practical and logistical procedures with regard to the general meetings of shareholders.
- 4.2. The tasks of the Investment Committee include at least the following:
  - a. to analyse the information provided by the listed companies with regard to corporate governance (annual reports, press releases, etc.), including the reports on the compliance with accepted corporate governance standards and the reasons provided for any deviation from these;
  - b. to include environmental and social aspects in analyses regarding risk management, transparency and remuneration policy of the listed companies;
  - c. to analyse the control structure of the listed companies;

- d. to analyse the management structure of the listed companies;
  - e. to monitor other public information related to the corporate governance of the listed companies;
  - f. to monitor reports from corporate governance rating institutes;
  - g. to alert Ordinary and Associate Members of controversial proposals on the agenda of a general meeting of a listed company;
  - h. to draft an evaluation report of the ordinary general meetings in the year concerned.
- 4.3. A representative of an Ordinary Member who is not a member of the Investment Committee may, as the occasion arises, request the chair of the Investment Committee to be permitted to attend a meeting of the Investment Committee when this Ordinary Member has an interest in the subjects to be discussed.
- 4.4. The Investment Committee may invite representatives of Ordinary Members who are not members of the Investment Committee to attend a meeting of the Investment Committee.
- 4.5. Membership of the Investment Committee will be conditional upon active participation. The following qualitative criteria will apply:
- a. the represented organizations have to participate actively, for example by attending general meetings of shareholders, by offering representation to other Eumedion members or by active participation in the Investment Committee where they share their experiences or information with other Eumedion members;
  - b. members of Investment Committee shall execute the corporate governance policy of their employer and/or are active in portfolio management;
  - c. members of Investment Committee are in general qualified to speak at a general meeting of shareholders;
  - d. as exception to the above, the Investment Committee can admit new members that intend to become active within reasonable time;
  - e. as exception to the above, the Investment Committee can decide to admit members with other useful qualifications for the work of Investment Committee;
  - f. in case a member does not participate on a regular basis, the chair of the Investment Committee can request this member to participate actively or to nominate another person in his place.
- 4.6. If a member of the Investment Committee represents an Ordinary Member with a conflicting interest in a subject on the agenda of the meeting, the member in question will not participate in the discussion of that subject or in deliberations on any advice to the

Executive Board with regard to taking concrete steps as referred to in article 4.1 of these Regulations.

- 4.7. The Investment Committee may formulate rules in order to stay effective and efficient in knowledge and information sharing, for a better functioning of the Investment Committee and for a good execution of these Regulations.

#### *5. Public Relations Committee*

- 5.1. The task of the Public Relations Committee is to advise the General and Executive Board on internal and external communications.
- 5.2. The tasks of the Public Relations Committee include at least the following:
  - a. to advise on communications policy and its implementation;
  - b. to advise on communication to the members;
  - c. to advise on media policy and its implementation;
  - d. to draft press briefings;
  - e. to generate publicity for the Foundation;
  - f. to coordinate press questions;
  - g. to advise on board opinions that have been formulated;
  - h. to do the final editing of external publications;
  - i. to advise on the design and contents of the Foundation's website;
  - j. to coordinate external support in the field of communications.

#### *6. Research Committee*

- 6.1. The Research Committee assists the General and Executive Board by developing activities that contribute to the assessment, clarification, growth and distribution of empirical information in the field of corporate governance.
- 6.2. The tasks of the Research Committee include at least the following:
  - a. to function as a platform for the gathering, codifying, summarizing and clarification of knowledge on economic and legal phenomena that are related to the corporate governance of listed companies, in so far as this is important for the functioning of institutional investors;
  - b. to make knowledge on corporate governance accessible by means of position papers and by means of initiating and contributing to the organization of seminars, theme sessions, Members' Meetings, etc. on behalf of the Foundation;

- c. to formulate the definition of the problems for (follow-up) research to be carried out for, by, or on behalf of the Foundation, and to submit proposals for research to the General and Executive Board;
- d. to supervise and monitor research projects in progress;
- e. to maintain contacts with relevant research institutes.

#### *7. Events Committee*

- 7.1. The Events Committee assists the General Board with the organization of the annual symposium and any other events.
- 7.2. The tasks of the Events Committee include at least the following:
  - a. to arrange speakers, location and time;
  - b. to maintain contacts with the speakers;
  - c. to monitor the budget for the events;
  - d. to keep the address file for the invitations up to date;
  - e. to print and send the invitations;
  - f. to keep the attendance list;
  - g. to welcome and assist members and speakers on the day of the event;
  - h. to arrange the technology for the event;
  - i. to issue promotional material.

## **Appendix: Definitions**

**General Board:** the officers of the Foundation under the articles of association.

**Executive Board:** the officers of the Foundation under the articles of association, who act as chair, vice-chair, secretary and treasurer.

**Associate Members:** legal persons that are related to Ordinary Members but are not institutional investors, that have been admitted as Associate Members by the General Board and have, in this capacity, signed an associate membership agreement with the Foundation.

**Ordinary Members:** institutional investors who have been admitted as Ordinary Members by the General Board and have concluded a membership agreement with the Foundation.

**institutional investors:** pension funds, asset managers, managers of investment institutions or insurance companies, which have legal personalities.

**Regulations:** the Regulations of the Committees.

**in writing:** by letter, telefax or e-mail, or by message that is transmitted via another standard means of communication and can be received in the written form.

**Foundation:** the Stichting Eumedion.