

## ARTICLES OF ASSOCIATION

of:

Philips Lighting N.V.

with corporate seat in Eindhoven, the Netherlands

dated 31 May 2016

### Chapter 1

#### Definitions.

##### Article 1.

In these articles of association, the following terms will have the following meaning:

<b>Annual Accounts</b>	: the annual accounts as referred to in article 2:361 BW;
<b>Annual Reporting</b>	: the annual accounts and the Management Commentary as well as the additional information referred to in article 2:392 BW;
<b>Board of Management</b>	: the board of management of the Company;
<b>BW</b>	: the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> );
<b>Company</b>	: Philips Lighting N.V.;
<b>General Meeting</b>	: the corporate body that consists of shareholders and all other persons with meeting rights / the meeting in which the shareholders and all other persons with meeting rights assemble;
<b>Management Commentary</b>	: the management commentary as referred to in article 2:391 BW;
<b>Meeting Rights</b>	: the right, either in person or by proxy authorised in writing, to attend and address the General Meeting;
<b>Ordinary Share</b>	: an ordinary share in the share capital of the Company;
<b>Persons with Meeting Rights</b>	: shareholders as well as holders of a right of usufruct and holders of a right of pledge with meeting rights;
<b>Persons with Voting Rights</b>	: shareholders with voting rights as well as holders of a right of usufruct and holders of a right of pledge with voting rights;
<b>Preference Share</b>	: a preference share in the share capital of the Company;
<b>Protective Foundation</b>	: Stichting Continuïteit Philips Lighting;
<b>Protective Foundation Reserve</b>	: the reserve referred to in article 3.5.3 of these articles of association;
<b>Shares</b>	: Ordinary Shares and Preference Shares;
<b>Subsidiary</b>	: a subsidiary as referred to in section 2:24a BW;
<b>Supervisory Board</b>	: the supervisory board of the Company.

# PHILIPS Lighting

## **Chapter 2**

### **Name. Corporate seat.**

#### **Article 2.1.**

- 2.1.1. The name of the Company is Philips Lighting N.V.  
2.1.2. Its corporate seat is in Eindhoven.

### **Objects.**

#### **Article 2.2.**

The objects of the Company are to establish, participate in, administer and finance legal entities, companies and other legal forms for the purpose of the development (including research) and manufacture of, and trading in, electrical and electronic products and the exploitation of technical and other expertise (including software), in particular products and expertise relating to light sources, luminaires, lighting electronics and controls to application-specific lighting systems and services and its natural successors, or for the purpose of other activities, and to do everything pertaining to or connected with the above, including providing security in any way and binding the Company for commitments of third parties, including companies which belong to its group, all this in the widest sense, as may also be conducive to the proper continuity of the collectivity of business undertakings, in the Netherlands and abroad, which are carried on by the Company and the companies in which it directly or indirectly participates.

## **Chapter 3**

### **Share structure.**

#### **Article 3.1.**

- 3.1.1. The authorised share capital of the Company amounts to six million euro (EUR 6,000,000) and is divided into:
- a. three hundred million (300,000,000) Ordinary Shares, each with a nominal value of one eurocent (EUR 0.01); and
  - b. three hundred million (300,000,000) Preference Shares, each with a nominal value of one eurocent (EUR 0.01).
- 3.1.2. The Shares are registered and numbered consecutively as follows:
- the Ordinary Shares from 1 onwards; and
  - the Preference Shares from P-1 onwards.

### **Issue of Shares.**

#### **Article 3.2.**

- 3.2.1. Shares are issued pursuant to a Board of Management resolution approved by the Supervisory Board if the Board of Management has been authorised to do so by resolution of the General Meeting for a fixed period of no more than five (5) years. This resolution of the General Meeting must state how many Shares of which class may be issued. The authorisation may be extended by consecutive periods of no more than five (5) years. Unless otherwise stipulated in the authorisation, the authorisation may not be withdrawn.
- 3.2.2. If and insofar as the Board of Management is not authorised as referred to in article 3.2.1, the General Meeting may resolve to issue Shares on a proposal of the Board of Management which has been approved by the Supervisory Board.
- 3.2.3. Articles 3.2.1 and 3.2.2 equally apply to a grant of rights to subscribe for Shares, but do not apply to an issue of Shares to a person exercising a right to subscribe for Shares.
- 3.2.4. Subject to the provisions in article 2:80 BW, the issue price may not be lower than the nominal value of the Shares.

## **Payment for Shares.**

### **Article 3.3.**

- 3.3.1. Ordinary Shares may only be issued against payment of the full amount at which they have been issued and in accordance with articles 2:80a and 2:80b BW.
- 3.3.2. Preference Shares may be issued against payment of at least a quarter of the nominal amount and in accordance with articles 2:80a and 2:80b BW. Further payment on the Preference Shares will be made within one (1) month after the Board of Management, subject to the approval of the Supervisory Board, has made a corresponding request in writing to the holder of Preference Shares concerned.
- 3.3.3. Payment on Shares must be made in cash if no alternative contribution has been agreed. Payment other than in cash must be made in accordance with the provisions in article 2:94b BW.
- 3.3.4. Payment may be made in a foreign currency subject to the Company's consent and in accordance with article 2:80a(3) BW.
- 3.3.5. The Board of Management may perform legal acts as referred to in article 2:94 BW without the prior approval of the General Meeting.

## **Pre-emptive right.**

### **Article 3.4.**

- 3.4.1. Upon the issue of Ordinary Shares, each shareholder has a pre-emptive right in proportion to the aggregate amount of that shareholder's Ordinary Shares. This pre-emptive right does not apply to:
  - a. Ordinary Shares issued to employees of the Company or of a group company; and
  - b. Ordinary Shares that are issued and paid for other than in cash.
- 3.4.2. Subject to the approval of the Supervisory Board, the Board of Management may resolve to restrict or exclude the pre-emptive right if and insofar as the Board of Management has been authorised to do so by the General Meeting for a fixed period of no more than five (5) years. This designation may be extended by consecutive periods of no more than five (5) years. Unless otherwise stipulated in the authorisation, the authorisation may not be withdrawn. If and insofar as the Board of Management is not authorised as referred to in this article 3.4.2, pre-emptive rights may be limited or excluded by a resolution of the General Meeting on a proposal of the Board of Management which has been approved by the Supervisory Board.  
A resolution of the General Meeting to limit or exclude pre-emptive rights and a resolution to authorise the Board of Management as referred to in this article 3.4.2 requires a two-thirds majority of the votes cast if less than one-half of the issued share capital is represented at a General Meeting.
- 3.4.3. Subject to article 2:96a BW, the General Meeting or the Board of Management determines, when adopting a resolution to issue Ordinary Shares, how and during which period these pre-emptive rights may be exercised.
- 3.4.4. This article equally applies to a grant of rights to subscribe for Ordinary Shares, but does not apply to an issue of Ordinary Shares to a person exercising a right to subscribe for Ordinary Shares.

## **Option Right Protective Foundation.**

### **Article 3.5.**

- 3.5.1. The Protective Foundation has the right to subscribe for a number of Preference Shares up to the number of Preference Shares included in the Company's authorised share capital from time to time.

- 3.5.2. At the request of the Protective Foundation, Preference Shares issued to the Protective Foundation are issued at the expense of the Protective Foundation Reserve.
- 3.5.3. The Company shall maintain a non-distributable reserve in an amount equal to the payment obligation on the Preference Shares if the right to acquire Preference Shares as referred to under article 3.5.1 was to be exercised in full without the application of article 3.3.2 first sentence. This reserve can be formed at the expense of the profits of the Company or the other reserves of the Company at the election of the Board of Management, subject to approval of the Supervisory Board. The obligation to maintain this reserve lapses if the Company is dissolved.
- 3.5.4. The Board of Management may implement article 3.5.1 in further detail in an agreement or otherwise and the terms of such implementation may be amended by the Board of Management, subject to the approval of the Supervisory Board.

## **Chapter 4**

### **Share repurchase. Disposal of Shares.**

#### **Article 4.1.**

- 4.1.1. The Company may repurchase Shares against payment if and insofar as the General Meeting has authorised the Board of Management to do so. This authorisation is valid for a fixed period of time of no more than eighteen (18) months and may be extended by consecutive periods of no more than eighteen (18) months. The General Meeting determines in its authorisation how many Shares the Company may repurchase, in what manner and at what price range. Repurchase by the Company of partly paid-up Shares is null and void.
- 4.1.2. The authorisation of the General Meeting as referred to in article 4.1.1 is not required if the Company repurchases fully paid-up Shares for the purpose of transferring these Shares to employees of the Company or of a group company under any applicable equity compensation plan, provided that those Shares are quoted on an official list of a stock exchange.
- 4.1.3. The resolution of the Board of Management to repurchase Shares or to dispose of Shares is subject to the approval of the Supervisory Board. A resolution of the Board of Management to transfer Shares to employees of the Company or of a group company under any applicable equity compensation plan or a repurchase of Shares for this purpose is not subject to the approval of the Supervisory Board.

### **Capital reduction.**

#### **Article 4.2.**

- 4.2.1. The General Meeting may resolve on a proposal of the Board of Management which has been approved by the Supervisory Board to reduce the issued share capital by (i) reducing the nominal value of the Shares by amending the articles of association, or (ii) cancelling:
  - a. Shares held by the Company itself; or
  - b. all Shares of a specific class.
- 4.2.2. Partial repayment on Shares pursuant to a resolution to reduce their nominal value may only be made on the Shares of a specific class.
- 4.2.3. In the event all Shares of a specific class are cancelled, the amount paid up on those Shares and, where applicable, the share premium reserve connected to that specific class of Shares must be repaid and the Company must simultaneously grant release from the obligation to fully pay up those Shares to the extent that they have only been partially paid up.

- 4.2.4. Article 4.2.3 does not apply to Preference Shares that are paid up at the expense of the Protective Foundation Reserve.

## **Chapter 5**

### **Transfer of Shares.**

#### **Article 5.**

- 5.1. Rights held by a shareholder in connection with Shares included in the giro system within the meaning of the Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*) must be transferred in accordance with the provisions of that Act.
- 5.2. The transfer of a Share requires a deed for that purpose and, save in the event that the Company itself is a party to the transaction, the Company's written acknowledgment of the transfer. Service on the Company of the transfer deed or a certified notarial copy or extract of that deed is regarded as such an acknowledgement.
- 5.3. Article 5.2 equally applies to the transfer of a right of usufruct or right of pledge on a Share.

## **Chapter 6**

### **Shareholders register.**

#### **Article 6.1.**

- 6.1.1. The Board of Management keeps a register of shareholders. The register is regularly updated.
- 6.1.2. The name, address and further information as required by law or considered appropriate by the Board of Management are recorded in the shareholders register.
- 6.1.3. If a shareholder requests, the Board of Management provides the shareholder, free of charge, with written evidence of the information in the register concerning the Shares registered in the shareholder's name.
- 6.1.4. The provisions in articles 6.1.2 and 6.1.3 equally apply to holders of a right of usufruct or right of pledge on one or more Shares.

### **Right of Pledge.**

#### **Article 6.2.**

- 6.2.1. Shares may be pledged.
- 6.2.2. If an Ordinary Share is encumbered with a right of pledge, the voting rights attached to that Ordinary Share will vest in the shareholder, unless at the creation of the pledge the voting rights have been granted to the pledgee.
- 6.2.3. If a Preference Share is encumbered with a right of pledge, the voting right may not be granted to the pledgee.
- 6.2.4. Shareholders who as a result of a right of pledge do not have voting rights have Meeting Rights.

### **Right of Usufruct.**

#### **Article 6.3.**

- 6.3.1. A right of usufruct may be created on Shares.
- 6.3.2. If a right of usufruct has been created on a Share, the shareholder holds the voting rights attached to that Share, unless at the creation of the usufruct the voting rights were granted to the holder of the right of usufruct.
- 6.3.3. Shareholders who have no voting rights as a result of a right of usufruct do have Meeting Rights. Holders of a right of usufruct without voting rights have no Meeting Rights.

## **Chapter 7**

### **Board of Management. Supervisory Board.**

#### **Article 7.1.**

- 7.1.1. Members of the Board of Management shall duly perform their duties towards the Company. These duties include all management duties that have not been allocated to one or more other members of the Board of Management by law or these articles of association. In fulfilling their duties, the members of the Board of Management shall be guided by the interests of the Company. Each member of the Board of Management is responsible for the general course of business within the Company.
- 7.1.2. The Supervisory Board supervises the policy of the Board of Management and the general course of business within the Company and its undertaking. The Supervisory Board supports the Board of Management with advice. In fulfilling their duties, the members of the Supervisory Board shall be guided by the interests of the Company.

### **Board of Management: appointment, suspension and dismissal.**

#### **Article 7.2.**

- 7.2.1. Members of the Board of Management are appointed by the General Meeting on the nomination of the Supervisory Board, which nomination may be binding. The Supervisory Board determines the number of members of the Board of Management.
- 7.2.2. If a member of the Board of Management is to be appointed, the Supervisory Board shall, after consultation with the Board of Management, make a nomination.
- 7.2.3. If the Supervisory Board makes a non-binding nomination, the nominated candidate is appointed by a resolution adopted by the General Meeting with a simple majority of the votes cast. If the Supervisory Board makes a binding nomination, the General Meeting may at all times overrule the binding nomination by a resolution adopted by a majority of the votes cast, provided that the majority represents more than one-third of the issued share capital. If a majority of the votes are cast in favour of overruling the binding nomination, but that majority does not represent more than one-third of the issued share capital, a new General Meeting may be convened at which the resolution to overrule the binding nomination may be adopted by a simple majority of the votes cast, regardless of the issued share capital represented by that majority.
- 7.2.4. In the event the candidate nominated by way of a non-binding nomination is not appointed or a binding nomination is overruled, the Supervisory Board may, after consultation with the Board of Management make a new nomination, which nomination may be binding. In the event that the candidate nominated by the Supervisory Board by way of a non-binding nomination is not appointed or if the binding nomination is overruled, the General Meeting shall be free to appoint a member of the Board of Management to fill the vacancy.
- 7.2.5. Members of the Board of Management may be suspended or dismissed by the General Meeting. A resolution to suspend or dismiss a member of the Board of Management, other than a resolution proposed by the Board of Management or the Supervisory Board, may only be adopted by a simple majority of the votes cast, provided that the majority represents at least one-third of the issued share capital.
- If a majority of the votes are cast in favour of the suspension or dismissal, but that majority does not represent more than one-third of the issued share capital, a new General Meeting may be convened at which the resolution to suspend or dismiss the member of the Board of Management

may be adopted by a simple majority of the votes cast, regardless of the issued share capital represented by that majority.

7.2.6. The Supervisory Board may at any time suspend a member of the Board of Management. Within three months of a suspension, a General Meeting will be held to decide whether the suspension will be cancelled or upheld. The suspended member of the Board of Management is entitled to be heard at the General Meeting.

7.2.7. In the event that one or more members of the Board of Management are prevented from acting, or in the case of a vacancy or vacancies for one or more members of the Board of Management, the remaining members of the Board of Management or the only remaining member of the Board of Management shall temporarily be in charge of the management and the Supervisory Board shall have the right to designate one or more temporary members of the Board of Management. In the event that all members of the Board of Management are prevented from acting or there are vacancies for all members of the Board of Management, the Supervisory Board shall temporarily be in charge of the management, unless the Supervisory Board designates one or more temporary members of the Board of Management.

If there are vacancies for all members of the Board of Management, the Supervisory Board shall take the necessary measures to make a definitive arrangement.

The term prevented from acting means:

- (i) suspension;
- (ii) illness; and
- (iii) inaccessibility,

in the events referred to under sub (ii) and (iii) without the possibility of contact for a period of five (5) days between the member of the Board of Management concerned and the Company, unless the Supervisory board sets a different term.

## **Board of Management: decision-making.**

### **Article 7.3.**

7.3.1. The Supervisory Board appoints one of the members of the Board of Management as chairman of the Board of Management. The Supervisory Board may also grant titles to members of the Board of Management.

7.3.2. The Board of Management may adopt written rules governing, among others, its decision-making process and conduct of meetings. Adoption and amendment of these rules are subject to the approval of the Supervisory Board. The members of the Board of Management may divide their duties among themselves, whether or not by way of rules, subject to the approval of the Supervisory Board.

7.3.3. A member of the Board of Management shall not participate in the deliberations and decision-making process if he has a direct or indirect personal conflict of interest with the Company and its business. If the Board of Management is unable to adopt a resolution as a result of this, the resolution may be adopted by the Supervisory Board.

7.3.4. The approval of the General Meeting is required for resolutions of the Board of Management regarding a significant change in the identity or nature of the Company or its business, including in any event:

- a. the transfer of the business, or practically the entire business, to a third party;



- b. concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal person or Company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and
  - c. acquiring or disposing of a participating interest in the share capital of a company with a value of at least one-third of the Company's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts by the Company or a Subsidiary.
- 7.3.5. In addition to the resolutions by the Board of Management that are subject to the approval of the Supervisory Board by law or under these articles of association, the Supervisory Board may make other resolutions subject to its approval. Those resolutions must be clearly specified and communicated in writing to the Board of Management.

#### **Board of Management: remuneration.**

##### **Article 7.4.**

- 7.4.1. The Company has a policy in respect of the remuneration of the Board of Management. The remuneration policy is adopted by the General Meeting on a proposal of the Supervisory Board.
- 7.4.2. The remuneration of the members of the Board of Management is determined by the Supervisory Board in accordance with the remuneration policy adopted by the General Meeting.
- 7.4.3. A proposal with respect to remuneration schemes in the form of Shares or rights to subscribe for Shares must be submitted by the Supervisory Board to the General Meeting for its approval. This proposal states at least the maximum number of Shares or rights to subscribe for Shares that may be granted to the members of the Board of Management and the criteria for making and amending such grants.

#### **Representation.**

##### **Article 7.5.**

- 7.5.1. The Board of Management has the power to represent the Company. This power is also vested in two members of the Board of Management acting jointly.
- 7.5.2. The Board of Management may authorise each of its members separately to represent the Company within the limits defined in the authorisation.
- 7.5.3. The Board of Management may grant powers of attorney to persons, whether or not in the service of the Company, to represent the Company and may thereby determine the scope of such powers of attorney and the titles of those persons.

#### **Supervisory Board: appointment, suspension and dismissal.**

##### **Article 7.6.**

- 7.6.1. The Company has a Supervisory Board. Members of the Supervisory Board are appointed by the General Meeting on the nomination of the Supervisory Board, which nomination may be binding. The Supervisory Board determines the number of members of the Supervisory Board.
- 7.6.2. If a member of the Supervisory Board is to be appointed, the Supervisory Board shall make a nomination.
- 7.6.3. If the Supervisory Board makes a non-binding nomination, the nominated candidate is appointed by a resolution adopted by the General Meeting with a simple majority of the votes cast. If the Supervisory Board makes a binding nomination, the General Meeting may at all times overrule the binding nomination by a resolution adopted by a simple majority of the votes cast, provided that the majority represents more than one-third of the issued share capital. If a majority



of the votes are cast in favour of overruling the binding nomination, but that majority does not represent more than one-third of the issued share capital, a new General Meeting may be convened at which the resolution to overrule the binding nomination may be adopted by a simple majority of the votes cast, regardless of the issued share capital represented by that majority.

- 7.6.4. In the event the candidate nominated by way of a non-binding nomination is not appointed or a binding nomination is overruled, the Supervisory Board may make a new nomination, which nomination may be binding. In the event that the candidate nominated by the Supervisory Board by way of a non-binding nomination is not appointed or if the binding nomination is overruled, the General Meeting shall be free to appoint a member of the Supervisory Board to fill the vacancy.
- 7.6.5. Members of the Supervisory Board may be suspended or dismissed by the General Meeting. A resolution to suspend or dismiss a member of the Supervisory Board, other than a resolution proposed by the Supervisory Board, may only be adopted by a simple majority of the votes cast, provided that the majority represents at least one-third of the issued share capital. If a majority of the votes are cast in favour of the suspension or dismissal, but that majority does not represent more than one-third of the issued share capital, a new General Meeting may be convened at which the resolution to suspend or dismiss the member of the Supervisory Board may be adopted by a simple majority of the votes cast, regardless of the issued share capital represented by that majority.
- 7.6.6. In the event that one or more members of the Supervisory Board are prevented from acting, or in the case of a vacancy or vacancies for one or more members of the Supervisory Board, the remaining members of the Supervisory Board or the only remaining member of the Supervisory Board shall temporarily be in charge of the supervision and the Supervisory Board shall have the right to designate one or more temporary members of the Supervisory Board. In the event that all members of the Supervisory Board are prevented from acting or there are vacancies for all members of the Supervisory Board, the Board of Management shall designate one or more temporary members of the Supervisory Board. If there are vacancies for all members of the Supervisory Board, the temporary members of the Supervisory Board shall take the necessary measures to make a definitive arrangement. The term prevented from acting means:
- (i) suspension;
  - (ii) illness; and
  - (iii) inaccessibility,
- in the events referred to under sub (ii) and (iii) without the possibility of contact for a period of five (5) days between the member of the Supervisory Board concerned and the Company, unless the Supervisory Board sets a different term.

## **Supervisory Board: decision-making.**

### **Article 7.7.**

- 7.7.1. The Supervisory Board appoints one of its members as chairman and one of its members as vice-chairman of the Supervisory Board. The Supervisory Board also appoints a secretary from among the members of the Supervisory Board or otherwise. In addition, the Supervisory Board may appoint one or more members of the Supervisory Board as delegate member of the Supervisory Board in charge of communicating with the Board of Management on a regular basis; the delegate members of the Supervisory Board report their findings to the Supervisory Board. The chairman of the Supervisory Board may also be a delegate member of the Supervisory Board.
- 7.7.2. The Supervisory Board may adopt written rules governing, among other things, its decision-making process and conduct of meetings. The members of the Supervisory Board may divide their duties among themselves, whether or not by way of rules.
- 7.7.3. A member of the Supervisory Board shall not participate in the deliberations and decision-making process if he has a direct or indirect personal conflict of interest with the Company and its business. If no resolution of the Supervisory Board can be adopted as a result, the resolution is adopted by the General Meeting.
- 7.7.4. The Supervisory Board may institute committees from among its members and adopt written rules governing, among other things, the decision-making process and conduct of meetings of those committees.

## **Supervisory Board: remuneration.**

### **Article 7.8.**

The remuneration of the Supervisory Board is determined by the General Meeting on a proposal of the Supervisory Board. The members of the Supervisory Board are reimbursed for reasonable expenses incurred.

## **Indemnity.**

### **Article 7.9.**

- 7.9.1. Unless Dutch law provides otherwise, current and former members of the Board of Management and Supervisory Board are reimbursed for:
- a. the reasonable costs of conducting a defence against claims based on action or inaction in exercising their duties or any other duties in another position they are fulfilling or have fulfilled at the Company's request;
  - b. any damages or fines payable by them as a result of actions or inactions as mentioned under a;
  - c. the reasonable costs of appearing in any other legal proceedings that they are involved in as a current or former member of the Board of Management or Supervisory Board, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf; and
  - d. any tax claims as a result of a reimbursement in accordance with this article.
- There is no entitlement to this reimbursement if and to the extent that:
- a. it has been established in a final and conclusive decision of a Dutch court or, in the event of arbitration, by an arbitrator that the action or inaction of the person concerned can be characterised as deliberate, wilfully reckless or seriously culpable, unless Dutch law provides otherwise or this would be unacceptable in the given circumstances according to standards of reasonable and fair conduct; or

- b. the person's costs or financial losses are covered by insurance and the insurer has paid out these costs or financial losses.

If a competent court or arbitral panel has established in a final decision that the person concerned is not entitled to the reimbursement, that person must immediately repay the amounts reimbursed by the Company.

- 7.9.2. The Company may take out liability insurance for the benefit of the persons concerned.
- 7.9.3. The Board of Management may implement the above provisions in further detail, in an agreement or otherwise, subject to the approval of the Supervisory Board.

## **Chapter 8**

### **General Meetings.**

#### **Article 8.1.**

- 8.1.1. General Meetings are held in Eindhoven, Amsterdam, Rotterdam, Utrecht, The Hague, or Haarlemmermeer (Schiphol).
- 8.1.2. A General Meeting is held each year, on the thirtieth (30<sup>th</sup>) day of June at the latest.
- 8.1.3. The Board of Management and the Supervisory Board shall provide to the General Meeting any information it requests, unless this would be contrary to an overriding interest of the Company. If the Board of Management or the Supervisory Board invokes an overriding interest, the reasons for this must be explained.

#### **General Meetings: convening meetings.**

##### **Article 8.2.**

- 8.2.1. General Meetings are convened by the Board of Management or the Supervisory Board.
- 8.2.2. One or more holders of Shares alone or jointly representing at least the percentage of the issued share capital as required by law may, at their request, be authorised by the preliminary relief judge of the district court to convene a General Meeting.

#### **General Meetings: notice of meetings and agenda.**

##### **Article 8.3.**

- 8.3.1. Meetings are convened in accordance with the statutory notice period.
- 8.3.2. The notice convening a meeting is issued by a public announcement in electronic form which can be directly and continuously accessed until the General Meeting.
- 8.3.3. An item requested in writing by one or more shareholders solely or jointly representing at least the percentage of the issued share capital as required by law must be included in the notice of the meeting or announced in the same manner if the Company receives the request, including the reasons, no later than on the day as required by law.

#### **General Meetings: attending meetings.**

##### **Article 8.4.**

- 8.4.1. Those persons holding Meeting Rights and listed as such in a register designated for that purpose by the Board of Management on the statutory registration date are deemed Persons with Meeting Rights, regardless of who are entitled to the Shares at the time of the General Meeting.
- 8.4.2. In order to exercise the rights mentioned in article 8.4.1, the holders of Shares shall notify the Company in writing of their intention to do so no later than on the day and at the place mentioned in the notice convening the General Meeting.
- 8.4.3. The Board of Management may resolve that the proceedings at the meeting may be observed by electronic means of communication.

- 8.4.4. The Board of Management may decide that each Person with Meeting Rights has the right, in person or represented by a written proxy, to take part in, address and vote at the General Meeting using electronic means of communication, provided that the Person with Meeting Rights can be identified via the same electronic means and is able to directly observe the proceedings and vote at the meeting. The Board of Management may attach conditions to the use of the electronic means of communication, provided that these conditions are reasonable and necessary for the identification of the shareholder and for the reliability and security of the communication. The conditions must be included in the notice convening the meeting and be published on the Company's website.
- 8.4.5. Members of the Board of Management and members of the Supervisory Board are authorised to attend the General Meeting and have an advisory vote in that capacity at the General Meeting.
- 8.4.6. The chairman of the General Meeting may admit third parties to the General Meeting.
- 8.4.7. The chairman of the General Meeting decides on all matters relating to admission to the General Meeting.

#### **General Meetings: order of discussion, minutes.**

##### **Article 8.5.**

- 8.5.1. The General Meeting is chaired by the chairman of the Supervisory Board. However, the chairman may charge another person with chairing the General Meeting even if the chairman is present at the meeting. If the chairman of the Supervisory Board is absent and has not charged another person with chairing the meeting instead, the members of the Supervisory Board present at the meeting will appoint one of them as chairman. In the absence of all members of the Supervisory Board, the meeting is chaired by the chairman of the Board of Management or, in the absence of the chairman of the Board of Management, by another member of the Board of Management appointed by the Board of Management. The chairman of the General Meeting appoints the secretary of the General Meeting.
- 8.5.2. The chairman of the General Meeting determines the order of discussion in accordance with the agenda and may limit speaking time or take other measures to ensure that the meeting proceeds in an orderly manner.
- 8.5.3. All issues relating to the proceedings at or concerning the meeting are decided by the chairman of the General Meeting.
- 8.5.4. Minutes must be kept of the business transacted at the meeting, unless a notarial record of the General Meeting is prepared. Minutes of a General Meeting are adopted and subsequently signed by the chairman and the secretary of the General Meeting.
- 8.5.5. A written confirmation signed by the chairman of the Supervisory Board stating that the General Meeting has adopted a resolution constitutes valid proof of that resolution towards third parties.

#### **General Meetings: decision-making.**

##### **Article 8.6.**

- 8.6.1. The General Meeting adopts resolutions by an absolute majority of the votes cast, unless the law or the articles of association provide otherwise.
- 8.6.2. Each Share confers the right to cast one (1) vote at the General Meeting. Blank votes, abstentions and invalid votes are regarded as votes that have not been cast.
- 8.6.3. No vote may be cast at the General Meeting for a Share held by the Company or one of its Subsidiaries. Holders of a right of usufruct or a right of pledge on Shares belonging to the Company or its Subsidiaries are not excluded from voting if the right of usufruct was created

before the Share concerned was held by the Company or one of its Subsidiaries and the voting rights were granted to the holder of the right of usufruct when that right of usufruct was created. The Company or a Subsidiary may not cast a vote in respect of a Share on which it holds a right of usufruct.

- 8.6.4. The chairman of the General Meeting determines the method of voting.
- 8.6.5. The finding by the chairman of the General Meeting on the outcome of a vote is decisive. The same applies to the content of a resolution adopted, to the extent that a vote was held on a proposal not set out in writing.
- 8.6.6. All disputes concerning voting for which neither the law nor the articles of association provide are decided by the chairman of the General Meeting.

## **Meetings of holders of Shares of a specific class.**

### **Article 8.7.**

- 8.7.1. Meetings of holders of Shares of a specific class will be held as frequently and whenever such a meeting is required by virtue or any statutory regulation or any regulation in these articles of association.
- 8.7.2. Articles 8.1.2 and 8.4.1 do not apply to a meeting of holders of Preference Shares.
- 8.7.3. Notwithstanding articles 8.7.4 and 8.7.5, the provisions of this chapter 8 apply *mutatis mutandis* to the meeting of holders of Shares of a specific class.
- 8.7.4. Meetings of holders of Preference Shares may be convoked in accordance with article 8.3, provided that the notice is sent no later than on the sixth (6<sup>th</sup>) day prior to the day of the meeting. The percentage set out in article 8.3.3 relates to the Preference Shares only.
- 8.7.5. A meeting of holders of Preference Shares may adopt resolutions in writing if the proposal has been sent to all holders of Preference Shares in writing, none of them opposes this manner of decision-making and all holders of Preference Shares express themselves in favour of the proposal concerned.

## **Chapter 9**

### **Financial year. Annual reporting.**

#### **Article 9.1.**

- 9.1.1. The Company's financial year coincides with the calendar year.
- 9.1.2. Each year, within the statutory period, the Board of Management shall prepare Annual Accounts. The Annual Accounts must be accompanied by an auditor's statement as referred to in article 9.2.1, the Management Commentary, and the additional information to the extent that this information is required. The Annual Accounts must be signed by all members of the Board of Management and all members of the Supervisory Board; if the signature of one or more of them is missing, this and the reasons for this must be disclosed.
- 9.1.3. The Company shall ensure that the Annual Accounts, the Management Commentary and the additional information referred to in article 9.1.2 are available at the Company's address from the day of the notice of the General Meeting where they are to be discussed. The Persons with Meeting Rights may inspect these documents and obtain a copy free of charge.
- 9.1.4. The Annual Accounts are adopted by the General Meeting.
- 9.1.5. In the General Meeting where adoption of the Annual Accounts is discussed, separate proposals may be raised to grant discharge to the members of the Board of Management and the Supervisory Board for the performance of their duties. This discharge only applies to the

performance of duties as reflected by the Annual Accounts or by information otherwise made available to the General Meeting.

## **Auditor.**

### **Article 9.2.**

- 9.2.1. The General Meeting instructs a statutory auditor to audit the annual accounts prepared by the Board of Management in accordance with article 2:393(3) BW. The instruction may be given to a firm in which chartered accountants work together. The Supervisory Board shall nominate an auditor for appointment.
- 9.2.2. If the General Meeting fails to issue the instructions to the auditor, the Supervisory Board is authorised to do so or, if the Supervisory Board also fails to issue the instructions, the Board of Management.
- 9.2.3. The instructions issued to the auditor may be revoked by the General Meeting and by the person issuing the instructions; the instructions issued by the Board of Management may also be revoked by the Supervisory Board. The instructions may only be revoked for valid reasons and in accordance with article 2:393(2) BW.
- 9.2.4. The auditor shall report the findings of the audit to the Board of Management and the Supervisory Board and present the results of the audit in a statement on the true and fair view provided by the annual accounts.
- 9.2.5. Both the Board of Management and the Supervisory Board may issue instructions (other than those referred to above) to the above auditor or to a different auditor at the Company's expense.

## **Chapter 10**

### **Profit and loss. Distributions on Shares.**

#### **Article 10.1.**

- 10.1.1. Notwithstanding articles 3.5.2 and 10.1.3 under d, the Board of Management shall keep a share premium reserve and profit reserve for the Ordinary Shares to which only the holders of the Ordinary Shares are entitled.
- 10.1.2. The Company may make distributions on Shares only to the extent that its shareholders' equity exceeds the sum of the paid-up and called-up part of the capital and the reserves which must be maintained by law or the articles of association.
- 10.1.3.
  - a. A dividend will be paid out of the profit, if available for distribution, first of all on the Preference Shares in accordance with paragraph b.
  - b. If the Preference Shares are issued at the expense of the Protective Foundation Reserve, the distribution will be one thousand euro (EUR 1,000) for the aggregate outstanding Preference Shares issued at the expense of this reserve. In other cases, the dividend paid on the Preference Shares will be based on the percentage, mentioned immediately below, of the amount called up and paid up on those Preference Shares. The percentage referred to in previous sentence will be equal to the Average Main Refinancing Rates during the financial year for which the distribution is made, plus two per cent (2%), provided that the percentage referred to in the previous sentence shall not be lower than one/tenth per cent (0.01%). Average Main Refinancing Rate will be understood to mean the average value on each individual day during the financial year for which the distribution is made of the Main Refinancing Rates prevailing on such day. Main Refinancing Rate will be understood to

mean the rate of the Main Refinancing Operation as determined and published from time to time by the European Central Bank.

c. If in the financial year over which the aforesaid dividend is paid the amount called up and paid up on the Preference Shares has been reduced or, pursuant to a resolution to make a further call on those Preference Shares, has been increased, the dividend must be reduced or, if possible, increased by an amount equal to that percentage of the amount of the reduction or increase, as the case may be, calculated from the date of the reduction or, as the case may be, from the date when the further call on the Preference Shares was made.

d. If and to the extent that the profit is not sufficient to pay in full the dividend referred to under paragraph b, the deficit will be paid to the debit of the reserves provided that doing so is not in violation of article 10.1.2.

If and to the extent that the dividend referred to under paragraph a of this article cannot be paid to the debit of the reserves either, the profits earned in subsequent years will be applied first towards making to the holders of Preference Shares such payment as will fully clear the deficit before the provisions of the following paragraphs of this article can be applied. No further dividends on the Preference Shares may be paid than as stipulated in this article, in article 10.2 and in article 11.2. Interim dividends paid over any financial year in accordance with article 10.2 must be deducted from the dividend paid by virtue of this article 10.1.3.

e. If the profit earned in any financial year has been determined and in that financial year one (1) or more Preference Shares have been cancelled, the persons who were the holders of those Preference Shares will have an inalienable right to payment of dividend as described below. The amount of profit, if available for distribution, to be distributed to the aforesaid persons will be equal to the amount of the dividend to which by virtue of the provision under paragraph b they would be entitled if on the date of determination of the profit they had still been the holders of the aforesaid Preference Shares, calculated on the basis of the period during which in the financial year concerned those persons were holders of those Preference Shares, this dividend to be reduced by the amount of any interim dividend paid in accordance with article 10.2.

f. If in the course of any financial year Preference Shares have been issued, with respect to that financial year the dividend to be paid on the Shares concerned will be reduced pro rata to the day of issue of those Preference Shares.

g. If the dividend percentage has been adjusted in the course of a financial year, then for the purposes of calculating the dividend over that financial year the applicable rate until the date of adjustment will be the percentage in force prior to that adjustment and the applicable rate after the date of adjustment will be the altered percentage.

10.1.4. The Board of Management may determine, subject to the approval of the Supervisory Board, that any amount remaining out of the profit after application of article 10.1.3 will be added to the reserves.

10.1.5. The profit remaining after application of articles 10.1.3 and 10.1.4 will be at the disposal of the General Meeting, which may resolve to carry it to the reserves or to distribute it among the holders of Ordinary Shares.

10.1.6. The Board of Management, subject to the approval of the Supervisory Board, may resolve to distribute to the holders of Ordinary Shares a dividend in the form of Ordinary Shares.



- 10.1.7. Subject to the other provisions of this article 10.1, the General Meeting may, on a proposal made by the Board of Management - which proposal must be approved by the Supervisory Board -, resolve to make distributions to the holders of Ordinary Shares to the debit of one or several reserves which the Company is not prohibited from distributing by virtue of the law or the articles of association.
- 10.1.8. No dividends may be paid to the Company on Shares held by the Company, unless those Shares are encumbered with a right of usufruct or a right of pledge.

## **Interim distributions.**

### **Article 10.2.**

- 10.2.1. The Board of Management may resolve, subject to the approval of the Supervisory Board, to make interim distributions to the shareholders or to holders of Shares of a particular class if an interim statement of assets and liabilities shows that the requirement of article 10.1.2 has been met. The General Meeting may also resolve to make an interim distribution on the proposal of the Board of Management, subject to the approval of the Supervisory Board.
- 10.2.2. The interim statement of assets and liabilities relates to the condition of the assets and liabilities on a date no earlier than the first day of the third month preceding the month in which the resolution to distribute is published. This interim statement must be prepared on the basis of generally acceptable valuation methods. The amounts to be reserved under the law and the articles of association must be included in the statement of assets and liabilities. It must be signed by the members of the Board of Management and the members of the Supervisory Board. If one or more of their signatures are missing, this absence and the reason for this absence must be stated.
- 10.2.3. If all issued and outstanding Preference Shares are cancelled against repayment, on the day of that repayment a dividend will be paid, this dividend to be equal to the premium paid on the Preference Share concerned at its issue increased by a distribution to be calculated in accordance with the provisions of article 10.1.4 and over the period over which until the date of repayment no earlier distribution as referred to in the first sentence of article 10.1.4 has been made, all this provided that the requirement of article 10.1.2 has been met as demonstrated by an interim statement of assets and liabilities as referred to article 10.2.2.

## **Notices and payments.**

### **Article 10.3.**

- 10.3.1. Any proposal for distribution of dividend on Ordinary Shares and any resolution to distribute an interim dividend on Ordinary Shares must immediately be published by the Board of Management in accordance with the regulations of the stock exchange where the ordinary Shares are officially listed at the Company's request. The notification must specify the date when and the place where the dividend will be payable or - in the case of a proposal for distribution of dividend - is expected to be made payable.
- 10.3.2. Distributions will be payable no later than thirty (30) days after the date when they were declared, unless the body declaring the distribution determines a different date.
- 10.3.3. Dividends which have not been claimed upon the expiry of five (5) years and one (1) day after the date when they became payable will be forfeited to the Company and will be carried to the reserves.
- 10.3.4. The Board of Management may determine that distributions on Shares will be made payable either in euro or in another currency.

## **Chapter 11**

### **Amendments to these articles of association. Dissolution.**

#### **Article 11.1.**

- 11.1.1. A resolution to amend these articles of association or to dissolve the Company requires a simple majority of the votes cast if the resolution is adopted on a proposal of the Board of Management.
- 11.1.2. If the resolution to amend these articles of association or to dissolve the Company is not adopted on a proposal of the Board of Management, the resolution to amend these articles of association requires a majority of at least three-fourths of the votes cast in a General Meeting, provided that the majority represents more than one-half of the issued share capital. If the aforementioned quorum is not met, a second meeting may be convened, to be held within eight (8) weeks of the first meeting, at which the resolution requires a majority of at least three-fourths of the votes cast, irrespective of the share capital represented at the meeting.
- 11.1.3. A resolution to amend these articles of association or to dissolve the Company requires the approval of the Supervisory Board.

#### **Liquidation.**

#### **Article 11.2.**

- 11.2.1. If the Company is dissolved, the liquidation is carried out by the Board of Management under the Supervisory Board's supervision, unless the General Meeting resolves otherwise.
- 11.2.2. These articles of association remain in force where possible during the liquidation.
- 11.2.3. The surplus assets of the Company remaining after satisfaction of its debts will be divided, in accordance with the provisions of article 2:23b BW, as follows:
  - a. firstly, the holders of the Preference Shares will be paid, if possible, the nominal value amount of their Preference Shares or, if those Preference Shares are not fully paid up, the amount paid on those Preference Shares, that payment to be increased by an amount equal to the percentage, referred to under b of article 10.1.3, of the amount called up and paid up on the Preference Shares, calculated over each year or part of a year in the period beginning on the day following the period over which the last dividend on the Preference Shares was paid and ending on the day of the distribution, as referred to in this article, made on Preference Shares; if the Company's surplus assets are not sufficient to make the distributions as referred to in this subparagraph a, these distributions will be made to the holders of the Preference Shares pro rata to the amounts that would be paid if the surplus assets were sufficient for distribution in full;
  - b. secondly, the balance, if any, remaining after the payments referred to under a will be for the benefit of the holders of Ordinary Shares in proportion to the nominal value amount of Ordinary Shares held by each of them.
- 11.2.4. Article 11.2.3 under a does not apply to Preference Shares issued at the expense of the reserves of the Company.