

## **RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS CONTAINING PRINCIPLES AND BEST PRACTICES OF CORPORATE GOVERNANCE OF AMSTERDAM COMMODITIES N.V.**

These Rules of Procedure (“Rules”) were adopted by the Board of Directors (the “Board”) of AMSTERDAM COMMODITIES N.V. (the ‘Company’) on 8 February 2018

### **Article 1 - Status and Contents of these Rules**

- 1.1. These Rules are complementary to the Rules and regulations applicable from time to time to the Board under Dutch law or the Company’s articles of association.
- 1.2. These rules have been based on the Dutch Corporate Governance Code as adopted by the Corporate Governance Committee on 8 December 2016 (the ‘Code’). The Code formulates certain best practices applicable to the Board.
- 1.3. Where these Rules are inconsistent with Dutch law or the Company's articles of association, the latter shall prevail. Where these Rules conform to the Company's articles of association but are inconsistent with Dutch law, the latter shall prevail. If one or more provisions of these Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Board shall replace the invalid provisions by such ones which are valid and the effect of which, given the contents and purpose of these Rules is, to the greatest extent possible, similar to that of the invalid provisions.

### **Article 2 –Responsibilities of the Board**

- 2.1. The Board shall be collectively responsible for the management of the Company, the general conduct of the Company’s business, and the conduct of business in the group companies affiliated with the Company.
- 2.2. Where the management of group companies is concerned, the Board shall ensure that instructions to managing directors are given.
- 2.3. In discharging its duties, the Board shall be guided by the interests of the Company and its business; it shall take into account the relevant interests of the Company’s stakeholders (including the Company’s shareholders). The Board is responsible for the quality of its own performance.
- 2.4. The Board is responsible for the strategy of the Company, aligning and prioritizing (strategic) initiatives, managing profit and loss, allocating main resources and developing capabilities and leadership, as well as protecting and promoting the overall reputation of the Company, including:
  - a. the achievement of the Company's objectives;
  - b. determining the strategy and associated risk profile, and the policies designed to achieve the objectives;
  - c. the general state of affairs in and the development of the results of the Company;
  - d. taking stock of and managing the risks connected to the business activities;
  - e. ensuring that internal risk management and control systems are in place and reporting on this in the Board’s report in the Annual Report (the ‘Board report’);
  - f. maintaining and preparing the financial reporting process;
  - g. compliance with legislation and regulations;

- h. compliance with and maintaining the corporate governance structure of the Company;
  - i. publishing the corporate governance structure of the Company and a compliance statement as referred to in the Code through the Board report in the Annual Report and otherwise;
  - j. preparing the Board report and the annual accounts and important capital investments of the Company;
  - k. selecting, and recommending the nomination of the external auditor of the Company to the shareholders and approving their remuneration for the annual audit; and
  - l. corporate responsibility.
- 2.5. The Board shall be responsible for setting up and maintaining internal procedures ensuring that the Board is aware of all important financial information, in order to safeguard timely, complete and accurate external financial reporting. To that effect, the Board shall ensure that the financial information from group companies is reported directly to it and to guarantee the integrity of the information.
- 2.6. The annual report shall contain the information required by Law. The Board shall thus report on the sensitivity of the Company's results to external factors and variables. The Board shall state in the annual report that the internal risk management and control systems are adequate and effective and shall substantiate this in a clear manner. The Board shall report in the annual report about the performance of said systems during the year under review and describe any significant changes that have been made and any major improvements that are planned and shall confirm that they have been discussed with the non-executive directors of the Board.

#### **Article 2a– Responsibilities of the executive directors of the Board**

- 2.7. Individual executive directors of the Board can be assigned with specific executive tasks to manage the Company. The Board shall remain accountable for the actions and decisions of the executive directors and have ultimate responsibility for the Company's external reporting and reporting to the shareholders of the Company, including providing the General Meeting of Shareholders with information. Executive directors with specific executive tasks are primarily responsible for the risk management and control of their assigned tasks.
- 2.8. The Board can appoint certain senior managers to perform the day-to-day management of the Company together with the executive directors of the Board.
- 2.9. The Board appoints one of the executive directors to Group Managing Director (GMD) and in the situation that an Executive Committee is established to Chairman of the Executive Committee ("EC").
- 2.10. Within the Board the GMD is primarily responsible for the following matters; (i) to submit a draft agenda and to prepare the Board meetings in consultation with the Chairman; (ii) to secure that the Board will receive all information necessary to fulfil its tasks; (iii) to have discussions with the Chairman or other non/executive directors when deemed necessary or desirable; Further the GMD will hold regular meetings with the Chairman.
- 2.11. The Board appoints one of the executive directors to CFO. Within the Board the CFO is primarily responsible for the following: (i) the preparation and communication of the financial strategy of the Company; (ii) the oversight and safeguarding of the integrity of all

financial data of the Company; (iii) the reporting of the financial results of the Company; (iv) the execution of all other related tasks at the request of the Board.

#### **Article 2b – Responsibilities of the non-executive directors of the Board**

- 2.12. The non-executive directors of the Board have the following additional responsibilities:
- a. supervising and monitoring, and advising the executive directors of the Board on: (i) the Company's performance in the light of its objectives, (ii) the Company's strategy and risks inherent to its business activities, (iii) the structure and management of the internal risk management and control systems, (iv) the financial reporting process and (v) compliance with legislation and regulations;
  - b. selecting, and recommending the appointment of, as applicable, the members of the Board, proposing the remuneration policy for members of the Board (such policy to be adopted by the General Meeting of shareholders of the Company (the 'General Meeting')), determining the remuneration (in accordance with the remuneration policy) and contractual terms and conditions of employment of executive directors of the Board;
  - c. evaluating and assessing the functioning of the Board as a whole, and their individual members;
  - d. handling, and deciding on, reported potential conflicts of interests within the meaning of article 11 between the Company on the one side and members of the Board, the external auditor and the major shareholder(s) on the other side;
  - e. handling, and deciding on, reported alleged irregularities that relate to the functioning of the Board within the meaning of article 12.
- 2.13. The non-executive directors of the Board render account of the supervision exercised in the past financial year. They shall report in the Board report on the following items:
- a. Its involvement in the establishment of the strategy, and the way it monitors its implementation;
  - b. Fulfilment of the independence requirements as described in article 3.
  - c. How the evaluation of the Board and the individual members has been carried out; and what has been done with the conclusions of the evaluations;
  - d. The absenteeism rate from Board meetings of each non-executive board member;
  - e. The absence of an internal audit department and whether adequate alternative measures have been taken, and the consideration whether it is necessary to establish an internal audit department;

#### **Article 3 - Membership, expertise and independence of the Board**

- 3.1. The Board consists of at least one or more executive directors and at least three or more non-executive directors, in accordance with the articles of association. The members of the Board are appointed and dismissed by the General Meeting of Shareholders. The majority of the Board is made up of non-executive directors.
- 3.2. The Board shall prepare a profile of its scope and composition, taking into account the nature of the business, its activities, and the desired expertise, experience and independence of its members. The Board shall evaluate this profile annually.
- 3.3. The composition of the non-executive directors of the Board shall be such that the combination of the experience, expertise and independence of its members meets the profile and enables the Board to best carry out the variety of its responsibilities and duties to the Company and all others involved in the Company (including its shareholders), consistent

with applicable law and regulations (including the rules of Euronext or any other exchange on which the Company's shares (or depositary receipts thereof) may be listed).

- 3.4. The Board shall draw up diversity objectives for the composition of the Board, in accordance with Article 13.4 of the articles of association. The objectives shall address the concrete targets relating to diversity and the diversity aspects relevant to the company, such as nationality, age, gender, and education, experience and work background.
- 3.5. In composing the non-executive directors of the Board, the following requirements must be observed:
  - a. each of its members must be capable of assessing the broad outline of the overall policy of the Company and its business;
  - b. each of its members must match the profile (upon (re)appointment and thereafter), and the non-executive directors of the Board as a whole must be composed in accordance with article 3.2.;
  - c. at least one of the members of the Board must have relevant expertise in financial administration and accounting for listed companies or other large companies;
  - d. none of its members may maintain more than five memberships of Supervisory Boards or non-executive directorships of Board of Directors' in Dutch listed companies (including the Company); in this connection, a chairmanship shall count twice;
  - e. the chairman of the Board may not be a (former) executive director of the Board;
- 3.6. In order to safeguard its independence, the non-executive directors of the Board, are composed in accordance with the following criteria:
  - a. Any one of the criteria referred to in article 3.7 sections a. to e. inclusive shall be applicable to at most one non-executive director;
  - b. The total number of non-executive directors to whom the criteria referred to in article 3.7 are applicable shall account for maximum half of the total number of non-executive directors;
  - c. 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 non-executive director who can be considered to be affiliated with or representing them as stipulated in article 3.7 sections f. and g.
- 3.7. A non-executive director 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:
  - a. has been an employee or executive director of the 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;
  - b. receives personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a non-executive director and in so far as this is not in keeping with the normal course of business;
  - c. 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 non-executive director, 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 non-executive director is a management board member or an employee of a bank with which the Company has a lasting and significant relationship;
  - d. is a member of the management board of a company in which an executive director of the Board of the Company which he supervises is a supervisory board member;

- e. has temporarily performed management duties during the previous twelve months in the absence or incapacity of executive directors of the Board;
- f. 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;
- g. 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 ten percent of the shares in the Company, unless the entity is a group company.

3.8. A member of the Board shall not:

- a. enter into competition with the Company;
- b. demand or accept (substantial) gifts from the Company for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- c. provide unjustified advantages to third parties to the detriment of the Company;
- d. take advantage of business opportunities to which the Company is entitled for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

#### **Article 4 – Risk management**

4.1. The Board shall 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 measures that are put in place in order to counter the risks being taken.

4.2. Based on the risk assessment, the Board shall design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems shall be integrated into the work processes within the Company and its affiliated enterprise, and shall be familiar to those whose work they are relevant to.

#### **Article 5 – Chairman of the Board of Directors**

5.1. The chairman of the Board chairs the meetings of the Board. The chairman of the Board shall ensure that the Board as a collective has a balanced composition and functions properly.

5.2. The chairman of the Board shall not be an executive director or former executive director of the Company.

5.3. The chairman of the Board shall in any case ensure that:

- a. the Board has proper contact with the general meeting;
- b. the Board may elect a vice-chairman;
- c. there is sufficient time for deliberation and decision-making by the Board;
- d. the members of the Board receive all information that is necessary for the proper performance of their duties in a timely fashion;
- e. the Board and its committees (if any) function properly;
- f. the functioning of individual members of the Board is assessed at least annually;
- g. the members of the Board follow their induction programme;
- h. the members of the Board follow their education or training programme;
- i. the Board performs activities in respect of its culture;
- j. the Board recognizes signs from the enterprise affiliated with the Company and ensures that any (suspicion of) material misconduct and irregularities are reported to the Board of Directors without delay;

- k. the General Meeting proceeds in an orderly and efficient manner;
- l. effective communication with shareholders is assured; and
- m. the Board is involved closely, and at an early stage, in any merger or takeover processes.

#### **Article 6 - (Re)appointment, Term and Resignation**

- 6.1. An executive director of the Board is appointed for a period of four years. An executive director may be reappointed for a term of not more than four years at a time, which reappointment shall be prepared in a timely fashion. There is no limitation in the number of reappointments. The diversity objectives referred to in article 3.4 shall be considered in the preparation of the appointment or reappointment.
- 6.2. A non-executive director of the Board is appointed for a period of six years and may then be reappointed for a term of not more than six years at a time. The Board may choose for a shorter (re)appointment term. There is no limitation in the number of reappointments. In any appointment or reappointment, the profile referred to in article 3.2 shall be observed.
- 6.3. A member of the Board shall retire early in the event of inadequate functioning, long term illness, structural incompatibility of interests, and in other instances in which this is deemed necessary. In the event of the early retirement of a member of the Board, the Company shall issue a press release mentioning the reasons for the departure.
- 6.4. The Board pays attention to succession planning of Board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard shall be given to the profile referred to in article 3.2 in drawing up the plan for non-executive board members. The Board shall also draw up a retirement schedule in order to avoid, as much as possible, non-executive board members retiring simultaneously. The retirement schedule shall be published on the Company's website.

#### **Article 7 - Remuneration**

- 7.1. The remuneration of the executive directors of the Board shall be determined by the Board within the framework of the remuneration policy adopted by the General Meeting, as reflected in the annual accounts.
- 7.2. The remuneration of the non-executive directors of the Board is approved by the General Meeting and shall reflect the time spent and the responsibilities of their role.
- 7.3. Non-executive directors shall not be awarded remuneration in the form of shares and/or right shares.
- 7.4. Non-executive directors of the Board shall be reimbursed for all reasonable costs incurred in connection with the discharging of their functions. Any other expenses shall only be reimbursed, either in whole or in part, if incurred with the prior consent of the chairman; the chairman will inform the Board of Directors on an annual basis.

## **Article 8 – Induction programme for all members of the Board of Directors**

- 8.1. All (non-)executive directors shall follow an induction programme geared to their role. The induction programme shall in any event cover specific aspects that are unique to the Company and its business activities and the Company culture.
- 8.2. The Board shall evaluate the induction programme from time to time to identify any other aspects in respect of which further training and education is required.

## **Article 9 – Meetings of the Board of Directors (agenda, teleconferencing, attendance, notes) and Board of Directors resolutions**

- 9.1. The Board shall hold a meeting whenever one or more of its members have requested a meeting. Board meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 9.2. Non-executive directors of the Board who are frequently absent during meetings of the Board shall be asked to explain their absence. The absenteeism rate from Board meetings of each non-executive board member shall be reported in the Board report.
- 9.3. Unless the non-executive directors of the Board decide otherwise, meetings of the Board shall be attended by the executive directors of the Board, save for meetings concerning:
  - a. the evaluation of the functioning of the executive directors of the Board, and the conclusions to be drawn from that evaluation;
  - b. the evaluation of the functioning of the non-executive directors of the Board as a whole and its individual members, and the conclusions to be drawn from that evaluation;
  - c. the desired profile, scope and composition of the Board;
  - d. potential conflicts of interests of members of the Board within the meaning of article 11.
- 9.4. The external auditor of the Company shall attend each Board meeting at which the examination, adoption and, if applicable, approval of the annual accounts are discussed. The external auditor shall receive the financial information underlying the adoption of the half yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information.
- 9.5. Meetings shall be convened by the chairman of the Board on behalf of the member(s) requesting the meeting. Where this is practically possible, notices convening a meeting and the agenda of items to be considered and discussed therein shall be dispatched 7 working days before the meeting and sent to each member of the Board and the chairman of the Board.
- 9.6. Minutes of the meeting shall be prepared by the secretary of the Company. They shall generally be adopted in the next meeting. If all members of the Board agree on the contents of the minutes, they may be adopted earlier. The minutes shall be signed for adoption by the chairman and shall be dispatched to all members of the Board as soon as practically possible. The chairman of the Board may issue and sign extracts of the adopted minutes.

## **Article 10 -Board of Directors Resolutions (quorum, votes, items to be considered)**

- 10.1. The Board can only validly adopt resolutions in a meeting at which at least the majority of its members is present or represented, with the provision that members who have a conflict of

interest as referred to in article 11 shall not be taken into account when calculating this quorum. The Board may also adopt resolutions outside a meeting, provided that the motion in question has been submitted to all of its members, and none of them has objected to this form of decision-taking, and each of them participated in the voting, provided that members who have a conflict of interests as referred to in article 11 shall not participate in the voting. The chairman shall prepare and sign a report of the resolution adopted in this manner, enclosing any written replies received. The adoption of resolutions outside a meeting must be reported at the next meeting.

- 10.2. Subject to article 11, the Board can only adopt resolutions validly in or outside a meeting if the majority of the Board members has voted in favor of the resolution. If there is a tie, the chairman shall have the casting vote.
- 10.3. The ongoing items to be considered and discussed at Board meetings include reviewing the Company's budget and financial results, discussing and approving corporate strategy and changes thereto (e.g. long-term strategy, capital expenditures in excess of the Company's budget, long-term capital structures, new lines of business, major acquisitions and divestments). At least once a year, the Board shall discuss :
  - a. the corporate strategy, the risks of the business and the result of the evaluation of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto.
  - b. the independence of the external auditors.
- 10.4. At least once a year, the non-executive directors of the Board shall discuss:
  - a. the functioning of the Board and its individual members, and the conclusions to be drawn on the basis thereof;
  - b. the desired profile, composition and competence of the non-executive directors of the Board;
  - c. the evaluation of the induction, education and training program as referred to in article 8.

#### **Article 11 - Conflicts of Interest**

- 11.1. Any form of conflict of interest between the Company and the members of its Board shall be prevented. To avoid conflicts of interest, adequate measures should be taken. The non-executive board members are responsible for the decision-making on dealing with conflicts of interest regarding Board members and majority shareholders in relation to the Company.
- 11.2. Board members are alert to conflicts of interest and shall in any case refrain from the following:
  - a. competing with the company;
  - b. demanding or accepting substantial gifts from the Company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - c. providing unjustified advantages to third parties at the Company's expense;
  - d. 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.
- 11.3. A conflict of interest may exist if the Company intends to enter into a transaction with a legal entity:
  - a. in which a member of the Board personally has a material financial interest; or



- b. which has a member of the Board who is related under family law to a member of the Board or the supervisory board of the company.
- 11.4. A Board member shall report any potential conflict of interest in a transaction that is of material significance to the Company and/or to such Board member, to the chairman of the Board and to the other members of the Board without delay. The Board member shall 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. If the chairman of the Board has a conflict of interest or potential conflict of interest, he shall report this to the vice-chairman of the Board without delay.
- 11.5. The Board shall decide, outside the presence of the Board member concerned, whether there is a conflict of interest.
- 11.6. All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with Board members that are of material significance to the Company and/or to the relevant Board members shall require the approval of the Board. Such transactions shall be published in the Board report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 of the Code have been complied with.
- 11.7. 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 Board. Such transactions should be published in the Board report, together with a declaration that best practice provision 2.7.5 of the Code has been complied with.
- 11.8. The Company shall not grant its Board members any personal loans, guarantees or the like.

## **Article 12 - Complaints, Whistle Blowers**

- 12.1. The Board shall ensure that employees have the opportunity, without jeopardizing their legal position, to report alleged irregularities of a general, operational and financial nature within the Company and/or the Group Companies to the Board and/or to the chairman of the Board.
- 12.2. Alleged irregularities that relate to the functioning of the members of the Board shall be reported to the chairman of the Board.
- 12.3. The Board shall ensure that complaints received by the Company in relation to the financial reporting, the internal risk management, control systems and the audit are recorded and dealt with.

## **Article 13 – General Meeting**

- 13.1. 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.
- 13.2. The agenda of the General Meeting shall list which items are up for discussion and which items are to be voted on. The following items shall be dealt with as separate agenda items:

- a. material changes to the articles of association;
  - b. proposals relating to the appointment of Board members;
  - c. 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);
  - d. any proposal to pay out dividend;
  - e. resolutions to approve the management conducted by the executive directors of the Board (discharge of executive board members from liability);
  - f. resolutions to approve the supervision exercised by the non-executive directors of the Board (discharge of non-executive board members from liability);
  - g. each substantial change in the corporate governance structure of the company and in the compliance with this Code; and
  - h. the appointment of the external auditor.
- 13.3. A proposal for approval or authorization by the General Meeting shall be explained in writing. In its explanation the Board should deal with all facts and circumstances relevant to the approval or authorization to be granted. The notes to the agenda shall be posted on the Company's website.
- 13.4. Members of the Board shall attend the General Meeting, unless they are prevented from attending on serious grounds or if the General Meeting has expressed the wish to meet without the presence of any (non-) executive director.
- 13.5. Board members nominated for (re-)appointment shall attend the General Meeting at which votes will be cast on their nomination.
- 13.6. 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 shall for this purpose attend and be entitled to address this meeting.
- 13.7. The report of the General Meeting shall be made available, on request, to the shareholders no later 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 shall then be adopted in the manner provided for in the articles of association.
- 13.8. The Board shall provide the General Meeting with any information it may require, unless important interests of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Board shall specify the reasons for invoking such important interests.
- 13.9. The Company shall formulate an outline policy on bilateral contacts with the shareholders and shall post this policy on its website.
- 13.10. The contacts between the Board on the one hand and the press and financial analysts on the other shall be handled and structured carefully and with due observance of the applicable laws and regulations. The Company shall not do anything that might compromise the independence of analysts in relation to the Company and vice versa.
- 13.11. The Board shall outline all existing or potential anti-takeover measures in the management report and shall also indicate in what circumstances and by whom these measures may likely be used.

#### **Article 14 - Confidentiality**

- 14.1. Members of the Board shall treat all information and documentation acquired within the framework of their position as director with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed other than to the Board, even after a director's resignation from the Board, unless it has been made public by the Company or it has been established that the information is already in the public domain.

#### **Article 15 - Deviation, Amendment**

- 15.1. The Board may occasionally decide at its sole discretion to deviate from these Rules pursuant to a Board resolution to that effect. Such resolutions shall be noted in the Board report.
- 15.2. These Rules may be amended by resolution of the Board to that effect. Such resolution shall be noted in the Board report.

#### **Article 16 - Governing Law and Jurisdiction**

- 16.1. These Rules shall be governed by and construed in accordance with the Laws of the Netherlands.
- 16.2. The courts of Rotterdam, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with these Rules (including any dispute regarding the existence, validity or termination of these Rules).

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