

**RULES OF PROCEDURE OF THE BOARD OF DIRECTORS  
OF INSINGER DE BEAUFORT HOLDINGS S.A.**

adopted by the board on 21 April 2008

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## **RULES OF PROCEDURE OF THE BOARD OF INSINGER DE BEAUFORT HOLDINGS S.A.**

### **1 Status and contents of the rules**

- 1.1 These rules have been based inter alia on ten principles of corporate governance of the Luxembourg Stock Exchange (the "Principles") and are complementary to the rules and regulations (from time to time) applicable to the board under Luxembourg law or the company's articles of association.
- 1.2 Where these rules are inconsistent with Luxembourg law or the company's articles of association, the law or, as the case may be, the articles of association shall prevail. Where these rules conform to the articles of association but are inconsistent with Luxembourg 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 those 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.
- 1.3 "company" in these rules means Insinger de Beaufort Holdings S.A.. and, where appropriate, the subsidiaries of the company, whose financial information is incorporated in the consolidated annual accounts of the company.
- 1.4 The following annex is attached to, and forms an integral part of these rules:  
  
ANNEX A: Division of tasks of the board members

### **2 (Re)appointment, composition, independence and division of tasks of the board**

- 2.1 The board shall consist of at least three members. At least half of the board is composed of non executive directors of whom at least two must be independent directors. A non executive director is any member of the board who does not carry out an executive function within the company. An independent non executive director is any director who meets the independence criteria laid down in article 2.4.
- 2.2 Board members shall be appointed by the general meeting as provided in the articles of association, subject to the granting of a declaration of no objection from the Dutch Central Bank. The general meeting may dismiss directors at any time. In the event of a vacancy on the board arising otherwise than on the occasion of a general meeting, the remaining directors, meeting together, may appoint provisionally a replacement whose term of office shall expire at the next general meeting.
- 2.3 The board will establish selection criteria and nomination procedures for directors.
- 2.4 A member of the board will be considered independent if the following criteria of dependence do not apply to him. These criteria are that the board member concerned, his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:
  - a) has been an employee or member of the company's or an affiliate's management board in the five years prior to his appointment;
  - b) receives personal financial compensation from the company or a company affiliated with the company other than the compensation received for the work performed as a supervisory or non executive board member of the company or a subsidiary, 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 his appointment. This will in any event include the situation where a board member, or the firm of which he is a shareholder, partner, associate or advisor, has acted as advisor to the company (consultant, external auditor, civil notary and lawyer) and the situation where a board member is a management board member or an employee of any bank with which the company has a lasting and significant relationship;

- d) is a member of the management board of a company, of which a member of the company's management board is a supervisory or non executive board member;
  - e) holds at least ten percent of the shares in the company (including the shares held by natural persons or legal entities that co-operate with him under a legal, tacit, oral or written agreement);
  - f) is a member of the managing or supervisory board -or is a representative in some other way - of a legal entity that holds at least ten percent of the shares in the company, unless such entity is a member of the same group as the company;
  - g) has not served on the board as a non executive director for more than twelve years.
- 2.5 The board shall have a chairman who shall ensure the proper functioning of the board as a whole. In addition, the board shall have one member specifically in charge of the company's financial affairs.
- 2.6 Individual board members may be charged with specific parts of the managerial tasks, without prejudice to the collective responsibility of the board as a whole. The board remains collectively responsible for decisions / actions, even if they are prepared / taken by individual board members.
- 2.7 The division of tasks within the board is determined (and amended, if necessary) by the board. Board members especially charged with particular managerial tasks are primarily responsible for the risk control and monitoring of the managerial tasks concerned. The current division of tasks between the board members, which for the chairman are in addition to his tasks described in article 3 below, is set out in the Annex.
- 2.8 In case of a board member' absence, his duties and powers shall be carried out by another board member to be designated by the board.

### **3 Chairman, chief executive officer and secretary**

- 3.1 The board shall appoint one of its members as chairman of the board, and, if he is absent or unable to discharge his duties, designate his deputy.
- 3.2 In addition to the coordination of the board's policy, the chairman shall be responsible for:
- a) preparing an agenda, in consultation with the chief executive officer, and chairing the meetings of the board;
  - b) ensuring that the board functions and makes decisions on a collective basis;
  - c) determining whether a specific matter should be brought to the board for a resolution;
  - d) ensuring that resolutions made are in accordance with the company's regulations and strategy;
  - e) ensuring that budgets and policy plans are drawn up in a timely manner;
  - f) supporting the other board members and mediating in any differences of opinion between them;
  - g) ensuring that there is ample time for consultation, consideration and the other aspects of preparing decision-taking in and minuting of the board meetings and the supervision of the implementation of resolutions;
  - h) ensuring the timely and adequate provisions of information to the board members as necessary for proper deliberation in the board meetings;
  - i) ensuring the annual evaluation and assessment of the functioning of the board members and the board.

- 3.3 The board entrusts the day-to-day management of the company to a director, other than the chairman of the Board, who bears the title of chief executive officer. The chief executive officer is also responsible for ensuring that the decisions of the board are carried out.
- 3.4 The board shall be assisted by a company secretary to be appointed and dismissed by the board. The company secretary may delegate his duties under these rules, or parts thereof, to a deputy appointed by him in consultation with the chairman. The company secretary shall be primarily responsible for:
- a) compliance of the board's functioning with Luxembourg law, the company's articles of association and the rules and regulations issued pursuant thereto (including these rules);
  - b) assisting the chairman of the board with the affairs of the board (information, agenda, evaluation, minutes etc.);
  - c) the induction, education and training programme.

#### **4 Responsibilities of the board**

- 4.1 The board members shall be collectively responsible for the company's management, the general affairs of the company's business and the general affairs of the group companies affiliated with the company.
- 4.2 Each board member shall be accountable to the board for the fulfilment of his duties and must therefore report to the board on a regular basis and in such a manner as to give the board a proper insight in the performance of his duties. The foregoing is essential in view of the board's collective responsibility.
- 4.3 While forming part of the same collegial body, the chief executive officer and the non-executive directors have specific and complementary roles to play in the board. After consulting and obtaining the agreement of the chairman, the chief executive officer communicates all the information relating to the business and finances of the group that is necessary for the board to function effectively. The non-executive directors are the custodians of the governance process. They are not involved in the day-to-day running of business but monitor the executive activity and contribute to the development of strategy.
- 4.4 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 all those involved in the company (including the company's shareholders). The board is responsible for the quality of its own performance.
- 4.5 The members of the board shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of its individual members.
- 4.6 The responsibilities of the board shall include:
- a) the achievement of the company's objectives;
  - b) determining the strategy and policy designed to achieve the objectives;
  - c) in the absence of a remuneration committee, formulating a remuneration policy for directors and managers;
  - d) establishing formal and transparent procedures with regard to the remuneration of managers;
  - e) the general state of affairs in and the results of the company;
  - f) the financing of the company;
  - g) taking stock of and managing the risks connected to the business activities;
  - h) ensuring that effective internal risk management and control systems are in place and reporting on this in the annual report;
  - i) maintaining and preparing the financial reporting process;

- j) compliance with legislation and regulations;
- k) compliance with and maintaining the corporate governance structure of the company;
- l) preparing the annual accounts and drawing up the annual budget and important capital investments of the company;
- m) giving advice in connection with the nomination of the external accountant of the company.

4.7 The executive directors:

- are entrusted with the day-to-day running of the company;
- are responsible for preparing complete, timely, reliable and accurate financial reports in accordance with the accounting standards and policies of the company;
- should submit an objective and understandable assessment of the company's financial situation to the board ;
- should participate in the preparation of decisions to be taken by the board;
- should supply the board with all information necessary for the discharge of its obligations in a timely fashion;
- should set up internal controls ( systems for the identification, assessment, management and monitoring of financial and other risks ), without prejudice to the board's monitoring role;
- should regularly account to the board for the discharge of its responsibilities.

4.8 All transactions between the company and individuals or legal entities who -directly or indirectly- hold at least 10% of the shares in the group of which the company forms part must be agreed on terms that are customary for arm's-length transactions in the branch of business in which the company and its subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interests with such persons that are of material significance to the company and/or to such persons require the unanimous approval of the board.

4.9 The board will annually carry out an evaluation of its, as well as the executive directors' collectively and individually, performance, composition, organisation and effectiveness as a collective body.

## 5 **Board meetings (agenda, teleconferencing, attendance, minutes) and resolutions**

- 5.1 The board shall hold at least 2 meetings per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the offices of the company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference.
- 5.2 The chairman, and in his absence his deputy, shall chair the meeting. If both are absent, the meeting shall appoint one of the board members as chairman of the meeting.
- 5.3 The meetings shall be convened in due time by the chairman. Any other board member may request that the chairman convene a meeting.
- 5.4 The chairman shall determine the agenda of each meeting in consultation with the chief executive officer. Other board members may submit to the chairman of the board items to be discussed in the meeting. Items to be discussed shall be supported by documentation as much as possible.
- 5.5 At the request of a board member and with the agreement of the majority of other board members, urgent matters may be discussed immediately or in an additional meeting.
- 5.6 The board members must attend the meetings of the board. Where they are unable to attend and the minutes require explanation, the chairman of the meeting shall inform them about the resolutions passed and the discussions held in the meeting in question.

- 5.7 The board shall endeavour to achieve that resolutions are as much as possible adopted unanimously. Where unanimity cannot be reached and Law does not prescribe a larger majority, all resolutions of the board are adopted by an absolute majority of the votes cast. Each member of the board has the right to cast one vote. In the event of a tie, the chairman shall decide. At a meeting, the board may only pass resolutions if the majority of the members of the board are present or represented.
- 5.8 In general, resolutions of the board are adopted at a board meeting. Resolutions may be passed outside a meeting, provided that the resolution is signed (in counterparts) by all members of the board.
- 5.9 If there is insufficient consensus at the meeting about certain subjects, the chairman of the board may refer the relevant item on the agenda for further consideration.
- 5.10 The board shall not pass resolutions relating to the area of expertise of a particular member of the board in the absence of that board member.
- 5.11 The board may deviate from the provisions in article 5.7 (last sentence), 5.8 (first sentence), 5.10 if this is deemed necessary by the chairman of the board, considering the urgent nature and other circumstances of the case, provided that all members of the board are allowed the opportunity to participate in the decision making process. Any resolution so adopted, shall be referred to in the next meeting of the board and included in the minutes of this meeting.
- 5.12 The board may appoint one or several standing and/or ad hoc committees and determine their composition and powers. Decisions made by ad hoc subcommittees shall be recorded in the minutes of the following board meeting. Decisions made by standing committees will be recorded in the minutes of the respective committees.
- 5.13 The minutes of a board meeting shall be adopted in the next meeting. Adopted minutes shall be evidence of the proceedings.

## **6 Board committees**

- 6.1 The board may establish one or several committees to examine specific topics chosen by the board and determine their composition and powers. The (entire) board remains responsible for its decisions even if they were prepared by one of the board's committees.
- 6.2 The board shall consider annually whether in its opinion it is necessary to establish an audit committee, a nomination committee and/or a remuneration committee and, in case it decides that the establishment of such committee is required, prepare the rules governing the committees' practices and principles (responsibilities, composition, meetings, etc.).
- 6.3 Should the audit committee, nomination committee and/or a remuneration committee not be instituted, the specific tasks and practices of the Principles as set forth in Annex B shall apply *mutatis mutandis* to the board.
- 6.4 Committees established by the board may seek expert assistance in obtaining the necessary information for the proper fulfilment of their duties. The company should provide each committee with the financial resources it needs for this purpose.

## **7 Conflict of interests**

- 7.1 A board member shall not:
- a) enter into competition with the company;
  - b) demand or accept gifts from the company for himself or for his spouse, registered

partner or other life companion, foster child or relative by blood up to the second degree, other than in accordance with the company's internal policy;

- 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 or for his spouse, registered partner or other life companion, foster child or relative by blood up to the second degree.

- 7.2 A conflict of interests exists, in any event, if the company intends to enter into a transaction with a legal entity: (i) in which a board member personally has a material financial interest; (ii) which has a board member who has a relationship under family law with a board member of the company; or (iii) in which a board member has a management or supervisory position with the exception of subsidiaries of the company.
- 7.3 Each board member shall immediately report any (positions in legal entities that may result in a) potential conflict of interests concerning a board member to the chairman of the board and to the other board members. A board member with such (potential) conflict of interests must provide the chairman of the board and the other board members with all information relevant to the conflict, including information relating to his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The chairman of the board will determine whether a conflict of interests exists.
- 7.4 A board member shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he has a conflict of interest with the company. Such transaction, if approved, must be concluded on terms at least customary in the sector concerned.

## **8 Complaints, whistle blowers**

- 8.1 The board shall ensure that complaints received by the company in relation to the financial reporting, the internal risk management and control systems and the audit are received, recorded and dealt with.
- 8.2 The board shall ensure that employees have the opportunity, without jeopardising their legal position, to report irregularities in respect of matters referred to in article 8.1 and complaints about executive board members.

## **9 Remuneration**

The remuneration of the board members shall be determined by the general meeting. The amount of the remuneration of each individual board member shall be determined by the general meeting.

## **10 Induction programme and ongoing training and education**

- 10.1 Once appointed, each member of the board may follow an induction programme, prepared and sponsored by the company, addressing:
  - a) general financial and legal affairs;
  - b) financial reporting by the company;
  - c) specific aspects unique to the company and its business activities;
  - d) responsibilities of members of the board.

When considered necessary, the board shall evaluate the induction programme to identify any other specific aspects in respect of which further training and education is required.



## **11 Information, relationship with the general meeting**

- 11.1 At least two members of the board shall attend the general meetings. The board shall provide the general meeting with any information it may require concerning an item on the agenda, unless the information might seriously harm the company, its shareholders or its personnel.
- 11.2 The board shall provide the general meeting timely 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.
- 11.3 Prior to general meetings, the board should make relevant information, including the agenda and resolutions put forward by the board, accessible by all useful means and in particular via electronic channels.
- 11.4 The board will post the results of votes and the minutes of each general meeting on the company's website as soon as possible after each meeting.
- 11.5 The board shall accept proposals concerning the agenda for the general meetings from any shareholder holding at least 5% of the company's share capital.
- 11.6 The board is responsible for the corporate governance structure of the company and must give account to the general meeting in relation to such structure. Each year the broad outline of the company's corporate governance structure shall be set forth in a separate chapter of the annual report. In this chapter it will be explained where the principles of the Principles were followed and if not, the reason for not doing so, and to which extent the company deviates from these Principles.

## **12 Confidentiality**

Board members shall treat all information and documentation acquired within the framework of their position as board member with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the board, made public or otherwise made available to third parties, even after 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.

## **13 Non-compliance, amendment.**

- 13.1 Without prejudice to the provisions of article 1.2, the board may occasionally decide at its sole discretion not to comply with and adhere to these rules pursuant to a board resolution to that effect. Such resolutions, if material, shall be disclosed in the company's corporate governance chapter as defined in the Principles.
- 13.2 These rules may be amended by resolution of the board to that effect.

## **14 Governing law and jurisdiction**

- 14.1 These rules shall be governed by and construed in accordance with the law of the Grand Duchy of Luxembourg.
- 14.2 The courts of Luxembourg, Grand Duchy of Luxembourg, 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).

ANNEX A  
Division of tasks of the board members

Name	Position	Task
Marcel Ernzer	Non executive director	Monitoring the executive activity and contributing to the development of strategy.
Steven Georgala	Non executive director	Monitoring the executive activity and contributing to the development of strategy.
Bas Kardol	Chairman - non executive director	Monitoring the executive activity and contributing to the development of strategy. Ensuring that procedures for preparation of meetings, deliberations, decision making and the implementation of decisions are correctly applied.
Ian Kantor	Chief Executive Officer	Responsible for day-to-day management.
Rob Mooij	Chief Financial Officer	Responsible for financial affairs, risk management and legal affairs, including compliance and regulatory affairs. Development of financial policies and planning.
Peter Sieradzki	Chief Operating Officer	Monitoring and supporting implementation of the company's strategy and objectives by the operating divisions.  Responsible for the group's operating (front, middle and back) units.