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NOMINATION, SELECTION AND REMUNERATION COMMITTEE CHARTER

Effective as of 21 February 2020

1. RESPONSIBILITIES AND COMPOSITION OF THE NOMINATION, SELECTION AND REMUNERATION COMMITTEE

1.1 RESPONSIBILITIES

- 1.1.1 The Nomination, Selection and Remuneration Committee prepares the Supervisory Board's decision-making regarding the determination of the remuneration of individual Managing Directors, including severance payments.
- 1.1.2 The remuneration in the event of dismissal of a Managing Director does not exceed the annual salary (the 'fixed remuneration' component). Severance pay is not awarded if the agreement is terminated early at the initiative of the Managing Director, or in the event of seriously culpable or negligent behaviour on the part of the Managing Director.
- 1.1.3 The Nomination, Selection and Remuneration Committee submits a proposal to the Supervisory Board concerning the remuneration of each Managing Director. The proposal is drawn up according to the remuneration policy that has been established and in any event covers:
- (a) the objectives of the strategy for the implementation of long-term value creation within the meaning of Best Practice provision 1.1.1 of the Code;
 - (b) the scenario analyses carried out in advance;
 - (c) the pay ratios within the Company and the Business;
 - (d) the development of the market price of the shares;
 - (e) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
 - (f) if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and
 - (g) if share options are being awarded, the terms and conditions governing this and the terms and conditions for exercising the share options. Share options may not be exercised during the first three (3) years after they have been awarded.
- 1.1.4 The Nomination, Selection and Remuneration Committee will take note of individual Managing Directors' own views with regard to the amount and structure of their own remuneration. The Managing Directors will be requested to pay attention to the aspects referred to under (a) through (g) of clause 1.1.2 of this Nomination, Selection and Remuneration Committee Charter.
- 1.1.5 The Nomination, Selection and Remuneration Committee report on an annual basis to the Supervisory Board on the application of the remuneration policy in the previous year and recommends the remuneration policy for the following year.
- 1.1.6 The Nomination, Selection and Remuneration Committee prepares the Supervisory Board's decision-making regarding:
- (a) the drawing up of selection criteria and appointment procedures for Managing Directors and Supervisory Directors;
 - (b) the periodical assessment of the size and composition of the Management Board and the Supervisory Board and the consultation with the Founder Committee thereon, and the making of proposal for a composition profile of the Supervisory Board;
 - (c) the periodical assessment of the performance of individual Managing Directors and Supervisory Directors and reporting this to the Supervisory Board;
 - (d) the drawing up of a plan for the succession of Managing Directors and Supervisory Directors;
 - (e) the proposal for appointment and re-appointment of Managing Directors and Supervisory Directors;
 - (f) the supervision of the policy of the Management Board regarding the selection criteria and appointment procedures for senior management; and

- (g) the drawing up of the Company's diversity policy for the composition of the Management Board, the Executive Committee and the Supervisory Board.

1.2 COMPOSITION

- 1.2.1 The Supervisory Board determines the size of the Nomination, Selection and Remuneration Committee, but the Nomination, Selection and Remuneration Committee must consist of at least two (2) members.
- 1.2.2 The Supervisory Board appoints the members of the Nomination, Selection and Remuneration Committee.

1.3 CHAIRPERSON

- 1.3.1 The Supervisory Board appoints one (1) of the members of the Nomination, Selection and Remuneration Committee as chairperson of the Nomination, Selection and Remuneration Committee. The chairperson shall be primarily responsible for the proper functioning of the Nomination, Selection and Remuneration Committee. He or she shall act as the spokesman or -woman of the Nomination, Selection and Remuneration Committee and shall be the main contact for the Supervisory Board.
- 1.3.2 The Chairperson or a former Managing Director may not serve as chairperson of the Nomination, Selection and Remuneration Committee.

2 MEETINGS AND DECISION-MAKING

Clause 5 of these rules of procedure applies equally to the meetings and decision-making of the Nomination, Selection and Remuneration Committee, provided that, provided that meetings of the Nomination, Selection and Remuneration Committee may be attended by the Vice-President Global Human Resources and the Managing Directors (except if the remuneration of such Managing Director is discussed), and meetings are held in accordance with a meeting schedule to be annually set by the Supervisory Board, but at least two (2) times a year.

3 REPORT TO THE SUPERVISORY BOARD

- 3.1.1 The Nomination, Selection and Remuneration Committee reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the Nomination, Selection and Remuneration Committee were carried out in the financial year, and also reports on the composition of the Nomination, Selection and Remuneration Committee, the number of meetings of the Nomination, Selection and Remuneration Committee and the main items discussed at those meetings.
- 3.1.2 The Nomination, Selection and Remuneration Committee describes, in a transparent manner, in addition to the matters required by law:
 - (a) how the remuneration policy has been implemented in the past financial year;
 - (b) how the implementation of the remuneration policy contributes to long-term value creation;
 - (c) that scenario analyses have been taken into consideration;
 - (d) the pay ratios within the Company and the Business and, if applicable, any changes in these ratios in comparison with the previous financial year;
 - (e) in the event that a Managing Director receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance and on which the variable remuneration depends, and the relationship between the remuneration and performance; and
 - (f) in the event that a current or former Managing Director receives a severance payment, the reason for this payment.
- 3.1.3 The main elements of the agreement of a Managing Director with the Company is published on the Company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the General Meeting where the appointment of the Managing Director will be proposed.