

Articles of association



Articles of association

as at 27 August 2018 of the public company with limited liability BNG Bank N.V. with its registered office in The Hague

Name, registered office, structure

Article 1

- 1.1 The name of the company shall be: BNG Bank N.V.
- 1.2 The company shall have its registered office in The Hague.
- 1.3 Articles 158 to 164 of Book 2 of the Dutch Civil Code shall apply to the company.

Object

Article 2

- 2.1 The object of the company shall be to conduct the business of banker on behalf of public authorities.
- 2.2 In the context of its object as referred to in paragraph 1 the company shall engage, inter alia, in taking in and lending moneys, granting credits in other ways, providing guarantees, arranging the flow of payments, conducting foreign exchange transactions, acting as adviser and broker in the issue of and trade in securities, and keeping, managing and administering securities and other assets for third parties, as well as to incorporate and to participate in other enterprises and/or legal persons, whose object is connected with or conducive to any of the foregoing. The company shall be empowered to perform all acts which may be directly or indirectly conducive to its object.
- 2.3 The term public authorities as referred to in paragraph 1 means:
 - a. municipalities and other legal persons in the Netherlands under public law as referred to in Article 1, paragraphs 1 and 2, of Book 2 of the Civil Code;
 - b. the European Communities and other bodies possessing legal personality to which part of the function of the European Communities has been entrusted pursuant to the treaties establishing the European Communities;
 - c. Member States of the European Communities and other bodies possessing legal personality to which part of the administrative function of such a Member State has been entrusted pursuant to the law of that Member State;

d. legal persons under private law:

- half or more of whose managing directors are appointed directly or indirectly by one or more of the bodies referred to in a, b and c of this paragraph; and/or
- half or more of whose share capital is provided directly or indirectly by one or more of the bodies referred to in a, b and c; and/or
- half or more of the income side of whose operating budget is provided or secured directly or indirectly by one or more of the bodies referred to in a, b and c on the basis of a scheme, bye-law or law adopted by one or more of such bodies; and/or
- whose operating budget is adopted or approved directly or indirectly by one or more of the bodies referred to in a, b and c on the basis of a scheme, bye-law or law adopted by one or more of such bodies; and/or
- whose obligations towards the company are guaranteed directly or indirectly by one or more of the bodies referred to in a, b and c or will be guaranteed pursuant to a scheme, bye-law or law adopted by one or more of such bodies, for which purpose obligations include non-guaranteed obligations resulting from prefinancing or other financing which, after novation, will create obligations that will be guaranteed by one or more of such bodies pursuant to a scheme, bye-law or law adopted by one or more of such bodies; and/or
- who execute a part of the governmental function pursuant to a scheme, bye-law or law adapted by one or more of the bodies referred to in a, b and c.

Duration

Article 3

The company is incorporated for an unlimited period.

Capital, shares

Article 4

- 4.1 The authorised capital of the company is two hundred and fifty million euros (EUR 250,000,000), divided into one hundred million (100,000,000) shares of two euros and fifty cents (EUR 2.50) each.
- 4.2 Shares shall be fully paid up on issue.

Issue and purchase of shares and preferential rights

Article 5

- 5.1 The company can issue shares pursuant to a resolution of the general meeting of shareholders or of another company body designated to do so by a resolution of the general meeting of shareholders for a specified period of no more than five years. The number of shares that may be issued must be determined upon such designation. The designation can be renewed in each instance for a period of no more than five years. Unless provided otherwise by that designation, it cannot be withdrawn. For as long as and insofar as another company body is authorised to resolve to issue shares, the general meeting of shareholders shall not be authorised to do so.
- 5.2 Upon the issue of shares, each holder of shares shall have a preferential right in proportion to the aggregate amount of that holder's shares.
- 5.3 In derogation from article 5 paragraph 2, shareholders shall have no preferential right to shares that are issued for a non-cash contribution.
- 5.4 The company shall announce the issue to which preferential rights apply and the period during which they can be exercised in the Staatscourant (Government Gazette) and in a nationally distributed daily newspaper, unless the announcement is made in writing to all shareholders at the address stated by them.
- 5.5 The preferential right can be exercised during a period of at least two weeks after the date of the announcement in the Staatscourant (Government Gazette) or after the announcement was sent to the shareholders.
- 5.6 Preferential rights may be restricted or excluded by a resolution of the general meeting of shareholders or the designated company body as referred to in article 5 paragraph 1, if this company body has been designated to do so by a resolution of the general meeting of shareholders for a period of no more than five years. The designation can be renewed in each instance for a period of no more than five years. Unless provided otherwise by that designation, it cannot be withdrawn. For as long as and insofar as another company body is authorised to resolve to restrict or exclude preferential rights, the general meeting of shareholders shall not be authorised to do so.
- 5.7 A majority of at least two-thirds of the votes cast is required for a resolution of the general meeting of shareholders to restrict or exclude preferential rights or for a designation as referred to in article 5 paragraph 6, if less than half of the issued capital is represented at the meeting.
- 5.8 The preceding provisions of this article 5 shall apply correspondingly to the granting of rights to subscribe for shares, but they do not apply to the issue of shares to a person exercising a right previously acquired to subscribe for shares.
- 5.9 Shares may not be issued at below par value.
- 5.10 The company may acquire fully paid-up shares in its own capital only free of charge or, provided that the Executive Board has been authorised for this purpose by the general meeting of shareholders in accordance with the provisions of Article 98, paragraph 4, of Book 2 of the Civil Code, if the equity capital, less the acquisition price, is not smaller than the paid-up and called-up part of the capital, plus the reserves which have to be kept by law.
- 5.11 Shares shall be issued by notarial deed, in accordance with the provisions set out in Article 86 of Book 2 of the Civil Code.

Shareholders and shares

Article 6

- 6.1 Only the following may be shareholders: the State of the Netherlands, provinces, municipalities, water boards and other public bodies under Dutch law.
- 6.2 The shares shall be registered.
- 6.3 Any transfer of shares shall be effected by notarial deed, in accordance with the provisions set out in Article 86 of Book 2 of the Civil Code. Except in the event that the company is a party to the transaction, the rights attached to a share may only be exercised after:
- the company has acknowledged the transaction;
 - the deed has been served on the company; or
 - the company has acknowledged the transaction on its own initiative by recording it in the shareholders' register, all with due observance of the provisions set out in Articles 86a and 86b of Book 2 of the Civil Code.
- 6.4 The provisions of the previous paragraph shall apply mutatis mutandis to the creation, waiver or transfer of

- a right of usufruct and the creation or waiver of a pledge on shares.
- 6.5 The company shall not cooperate in the issue of depositary receipts for shares.
- 6.6 The voting right in respect of pledged shares may not be exercised by the pledgee. Neither a pledgee nor a usufructuary without voting rights shall have the rights referred to in Article 89, paragraph 4, and Article 88, paragraph 4, respectively, of Book 2 of the Civil Code.

Register of shareholders

Article 7

- 7.1 A register shall be kept in the company's office in which the names and addresses of all shareholders are recorded, stating the date on which they acquired the shares, the number of shares held by each of them, the date of acknowledgement or service, as well as the amount paid up on each share. In the register shall also be recorded the names and addresses of those who have a right of usufruct or pledge in respect of such shares, stating the date on which they acquired such right, the date of acknowledgement or service, as well as who is entitled to the rights attached to such shares.
- 7.2 The register shall be kept up to date.
- 7.3 Upon request and at no cost, the Executive Board shall provide a shareholder, a holder of a right of usufruct and a holder of a right of pledge with an extract from the register in respect of their rights attached to a share. If the share is encumbered with a right of usufruct or a right of pledge, the extract shall specify who is entitled to the voting rights and the rights referred to in Article 89, paragraph 4 and Article 88, paragraph 4 of Book 2 of the Civil Code, respectively.
- 7.4 The Executive Board shall deposit the register at the company's office for inspection by the shareholders.

Executive Board – appointment, suspension and dismissal

Article 8

- 8.1 The management of the company shall be entrusted to an Executive Board consisting of two or more members, including a president.
- 8.2 The president and the other members of the Executive Board shall be appointed and dismissed by the Supervisory Board, and may be suspended individually or collectively by the Supervisory Board at all times. In

the event of suspension the time and conditions of the suspension shall also be determined. A resolution by the Supervisory Board to dismiss a member of the Executive Board cannot be taken until after the general meeting of shareholders has been heard on the proposed dismissal.

- 8.3 Without prejudice to the provisions in article 8 paragraph 2 of these articles of association, members of the Executive Board shall retire after the expiry of a period of four years since their last appointment. A retiring member of the Executive Board can be re-appointed immediately, for a period of up to four years in each instance.
- 8.4 The company operates a policy for remuneration of the members of the Executive Board. The remuneration policy shall be determined by the general meeting of shareholders on the initiative and on a motion submitted by the Supervisory Board.
- 8.5 In derogation from the provisions in article 8 paragraph 4, the general meeting of shareholders can also request the Supervisory Board in writing on its own initiative to submit a proposal for the remuneration policy. If the Supervisory Board subsequently has not, within three months after receipt of such a request, submitted a proposal for the remuneration policy to the general meeting of shareholders, the general meeting of shareholders shall be free to resolve to determine the remuneration policy, provided that the Supervisory Board must then be given an opportunity to issue advice to the general meeting of shareholders on the remuneration policy proposed by it.
- 8.6 If the Supervisory Board has submitted a proposal as referred to in this article 8 paragraph 4 or paragraph 5 and that proposal has been rejected by the general meeting of shareholders, the Supervisory Board shall submit a new proposal to the general meeting, within three months after receiving the notification by the general meeting that the previous proposal has been rejected. If this new proposal is again rejected by the general meeting, the general meeting shall be free to resolve to determine the remuneration policy, provided that the Supervisory Board must then be given an opportunity to issue advice to the general meeting of shareholders on the remuneration policy proposed by it.

- 8.7 The remuneration policy shall include as a minimum the subjects described in Article 383(c) to 383(e) of Book 2 of the Civil Code, insofar as they concern members of the Executive Board. The remuneration policy shall be submitted in writing to the general meeting of shareholders no earlier than after the Works Council has been given an opportunity in good time before the date of the notice calling the general meeting to determine its position on it. The position of the Works Council will be submitted to the general meeting at the same time as the proposal to determine the remuneration policy.
- 8.8 The remuneration of members of the Executive Board shall be determined by the Supervisory Board, with due observance of the policy. The other terms of employment of members of the Executive Board shall be determined by agreement to be concluded between the company – represented in this matter by the Supervisory Board – and each of the members.
- 8.9 If one or more members of the Executive Board are unable to discharge their duties or one or more vacancies exist, the remaining member or members, as the case may be, shall be charged with the entire management. If all the members of the Executive Board are unable to discharge their duties or all the positions are vacant, the Supervisory Board shall be temporarily charged with the management, without prejudice to its right to assign the management temporarily in such cases to one or more persons.

Executive Board – duties, organisation and decision-making

Article 9

- 9.1 Except for the restrictions according to these articles of association, the Executive Board is charged with managing the company, under the supervision of Supervisory Board. In performing their duties, the members of the Executive Board shall be guided by the interests of the company and the enterprise associated with it.
- 9.2 The Executive Board may, with due observance of these present articles, adopt rules for regulating internal issues concerning itself.
- 9.3 A member of the Executive Board shall not take part in the deliberations and decision-making of the Executive Board if that member has a direct or indirect personal interest with regard thereto that conflicts with the interests of the company and the enterprise associated with it. If no resolution can be taken by the Executive Board as a result thereof, the resolution shall be taken by the Supervisory Board.

Executive Board – representation

Article 10

- 10.1 The Executive Board shall have power to represent the company. This power of representation shall also be vested in:
- a. two members of the Executive Board acting jointly;
 - b. one member of the Executive Board together with a holder of a power of attorney, in accordance with the conditions attached to the power of attorney concerned.
- 10.2 The Executive Board may, subject to the approval of the Supervisory Board, confer on members of the Executive Board and employees of the company the power to represent the company, subject to its responsibility and with due observance of the limitations which it considers necessary, and shall determine the titles to be carried by them.

Executive Board – restrictions

Article 11

- 11.1 Without prejudice to the approvals required elsewhere in these articles of association, the prior approval of the Supervisory Board shall be required for resolutions of the Executive Board concerning:
- a. the issue and acquisition of the company's shares and debentures or of debentures of a limited partnership or general partnership in which the company is a general partner with unlimited liability;
 - b. the application for admission of the items referred to trading on a market in financial instruments as referred to in Article 1:1 of the Financial Supervision Act or system from a state that is not a Member State and that is comparable to a regulated market or multilateral trading facility or the application for the withdrawal of any such admission;
 - c. the conclusion or termination of lasting cooperation between the company or a dependent company on the one hand and another company or legal person on the other or as general partner with unlimited liability in a limited partnership or general

- partnership, if this cooperation or termination is of far-reaching significance for the company;
- d. the acquisition of a holding worth at least one fourth of the amount of the issued capital with reserves, according to the balance sheet with explanatory notes of the company, by it or a dependent company in the capital of another company, and any significant expansion or reduction of such a holding;
- e. investments which require an amount equal to at least one fourth of the company's issued capital with reserves, according to its balance sheet with explanatory notes;
- f. a resolution to amend the articles of association;
- g. a resolution to dissolve the company;
- h. a petition for liquidation and application for a suspension of payment of debts;
- i. termination of the employment of a substantial number of employees of the company or of a dependent company at the same time or within a short space of time;
- j. a far-reaching change in the working conditions of a substantial number of employees of the company or of a dependent company;
- k. a resolution to reduce the issued capital;
- l. the acquisition, encumbering and alienation of immovable property and other property subject to registration on behalf or at the expense of the company.
- m. investments in or divestments of tangible fixed assets or intangible fixed assets with a value of at least twenty-five million euros (EUR 25,000,000), which do not relate to the lending operations of the company.

The absence of the approval of the Supervisory Board of a resolution referred to in this paragraph shall not affect the authority of the entire Executive Board or its individual members to represent the company.

11.2 Notwithstanding the approvals required elsewhere in these articles of association, the approval of the general meeting of shareholders is required for resolutions of the Executive Board concerning an important change in the identity or the character of the company or the business, including as a minimum:

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

- b. concluding or terminating a long-term collaboration of the company or a subsidiary with another artificial person or company or as a completely liable partner in a limited partnership or general partnership, if this cooperation or termination is of far-reaching significance to the company;
- c. acquiring or disposing by the company or a subsidiary of a participating interest in the capital of a company with a value of at least one third of the amount of the issued capital with the reserves in accordance with the balance sheet with explanatory notes or, if the company prepares a consolidated balance sheet, in accordance with the consolidated balance sheet as included in its most recently adopted annual accounts, as well as significantly increasing or decreasing such a participating interest;
- d. investments in or divestments of tangible fixed assets or intangible fixed assets with a value of at least twenty-five million euros (EUR 25,000,000), which do not relate to the lending operations of the company
- e. the casting of a vote on shares in the capital of a subsidiary on whether or not to approve a resolution by the management of that subsidiary that, had it been a resolution of the Executive Board of the company itself, would have been subject to the approval of the general meeting of shareholders on the basis of this paragraph. The absence of the approval of the general meeting of shareholders of a resolution referred to in this paragraph does not affect the authority of the entire Executive Board or its individual members to represent the company.

11.3 The Executive Board shall inform the general meeting of shareholders in time about developments and insights within the company or the business which may result in a significant change in the identity or the character of the company or business, unless a major interest of the company opposes this.

Supervisory Board – appointment, suspension and dismissal **Article 12**

12.1 The Supervisory Board shall consist of at least five members. The Supervisory Board shall determine the number of its members.

- 12.2 The Supervisory Board shall draw up a profile of its size and composition, taking into account the nature of the company, its activities and the required expertise and background of the supervisory directors. The Board shall discuss the profile for the first time upon adoption, and thereafter each time when there is a change, in the general meeting of shareholders, and with the works council.
- 12.3 Notwithstanding the provisions of paragraph 7, the members of the Supervisory Board shall be appointed by the general meeting of shareholders on the nomination of the Supervisory Board. The Supervisory Board shall announce the nomination to the general meeting of shareholders and to the Works Council at the same time. Reasons must be given for the nomination. The nomination shall be presented to the general meeting of shareholders no earlier than after the Works Council has been given an opportunity in good time before the date of the notice calling the general meeting to determine its position on it.
- 12.4 The general meeting of shareholders and the Works Council may recommend persons to the Supervisory Board for nomination as Supervisory Director. For this purpose the Supervisory Board shall inform them in due time when, as a result of what and in accordance with which profile a vacancy must be filled. If for the vacancy the increased powers of recommendation referred to in paragraph 5 apply, the Supervisory Board must also give notice of this.
- 12.5 The Works Council shall recommend the nomination of one third of the members of the Supervisory Board. The Supervisory Board shall place such nominations on a list, unless it objects to the nomination because it anticipates that the recommended person will be unsuitable for the duties of supervisory director or that the Supervisory Board following appointment in accordance with the nomination will not be properly constituted. If the number of Supervisory Board members cannot be divided by three, the nearest lower number that can be divided by three shall be considered for determining the number of members to which the increased powers of recommendation of the Works Council apply.
- 12.6 If the Supervisory Board objects, it shall inform the Works Council of this, stating reasons. The Supervisory Board shall consult the Works Council without delay to reach agreement on the nomination. If the Supervisory Board establishes that no agreement can be reached, a representative of the Supervisory Board designated for that purpose shall request the Enterprise Section to declare the objection unfounded. The Supervisory Board shall place the recommended person on the list of candidates if the Enterprise Section declares the objection unfounded. If the Enterprise Section declares the objection well-founded, the Works Council may make a new nomination in accordance with the provisions of paragraph 5.
- 12.7 The general meeting of shareholders may reject the nomination by an absolute majority of the votes cast representing at least one third of the issued capital. If not at least one third of the issued capital was represented at the meeting, a new meeting may be convened at which the nomination can be rejected by an absolute majority of the votes cast. In that case the Supervisory Board shall draw up a new list of nominations. Paragraphs 4, 5 and 6 apply. If the general meeting of shareholders does not appoint the nominated person and does not resolve to reject the nomination, the Supervisory Board shall make the appointment
- 12.8 Members of the Supervisory Board shall retire at the end of the first general meeting of shareholders after the expiry of a period of four years since their last appointment, provided always that if they were appointed on the day of the annual general meeting they shall retire not later than on the day on which that meeting is held four years later. A retiring member of the Supervisory Board may be immediately reappointed, provided always that a member of the Supervisory Board may be reappointed once for a period of up to four years. The member of the Supervisory Board can thereafter be re-appointed again for a period of office of two years which can subsequently be extended by up to two years. Re-appointment after a period of eight years shall be substantiated in the report of the Supervisory Board.
- 12.9 A member of the Supervisory Board can be suspended by the Supervisory Board. The suspension shall expire by operation of law if the company has not submitted a request for dismissal to the Enterprise Section within one month after the start of the suspension.

- 12.10 A member of the Supervisory Board can, further to a request to that effect, be dismissed by the Enterprise Section due to dereliction of duties, due to other important reasons or due to significant changes in circumstances as a result of which retention as a member of the Supervisory Board cannot be reasonably required of the company. Then request can be submitted by the company, represented for that purpose by the Supervisory Board, as well as by a representative of the general meeting of shareholders or of the Works Council designated for that purpose.
- 12.11 The general meeting of shareholders shall determine the remuneration of the members of the Supervisory Board. The general meeting of shareholders can request the Supervisory Board in writing to submit a proposal for the remuneration of the members of the Supervisory Board. If the Supervisory Board has not, within three months after receipt of such a request, submitted a proposal for the remuneration to the general meeting of shareholders, the general meeting of shareholders shall be free to resolve to determine the remuneration of the members of the Supervisory Board, provided that the Supervisory Board must then be given an opportunity to issue advice to the general meeting of shareholders on the remuneration proposed by it. If the Supervisory Board has submitted a proposal for the remuneration of the members of the Supervisory Board and that proposal has been rejected by the general meeting of shareholders, the Supervisory Board shall submit a new proposal to the general meeting, within three months after receiving the notification by the general meeting that the previous proposal has been rejected. If this new proposal is again rejected by the general meeting of shareholders, the general meeting shall be free to resolve to determine the remuneration of the members of the Supervisory Board, provided that the Supervisory Board must then be given an opportunity to issue advice to the general meeting of shareholders on the remuneration proposed by it.
- 12.12 If one or more members of the Supervisory Board are unable to discharge their duties or one or more vacancies exist, the remaining member or members, as the case may be, shall be temporarily charged with duties of the Supervisory Board. If all the members of the Supervisory Board are unable to discharge their

duties or all the positions are vacant, the duties of the Supervisory Board shall provisionally be assigned to a person designated for that purpose by the general meeting of shareholders.

Supervisory Board – motion of no confidence

Article 13

- 13.1 The general meeting of shareholders may pass a motion of no confidence in the Supervisory Board by an absolute majority of the votes cast representing at least one third of the issued capital. The resolution shall state the reasons on which it is based and may not be adopted with respect to members of the Supervisory Board appointed by the Enterprise Section in accordance with paragraph 3.
- 13.2 A resolution as referred to in paragraph 1 may not be adopted until the Executive Board has notified the Enterprise Section of the proposal for the resolution and its grounds. Notification shall take place at least thirty days before the general meeting of shareholders at which the proposal is dealt with. If the Works Council adopts a position on the proposal, the Executive Board shall inform the Supervisory Board and the general meeting of shareholders about this position. The Works Council may explain its position at the general meeting of shareholders.
- 13.3 The resolution referred to in paragraph 1 results in the immediate dismissal of the members of the Supervisory Board. The Executive Board shall then without delay request the Enterprise Section to appoint one or more supervisory directors temporarily. The Enterprise Section shall then regulate the consequences of the appointment.
- 13.4 The Supervisory Board shall facilitate the formation of a new Board within the period determined by the Enterprise Section with due observance of Article 158 of Book 2 of the Civil Code.

Supervisory Board – duties, organisation and decision making

Article 14

- 14.1 Without prejudice to the other provisions of these articles of association, the Supervisory Board shall be responsible for supervising the policies of the Executive Board and the general course of events in the company and the enterprise associated with it. It shall assist the

Executive Board by providing advice. In performing their duties the members of the Supervisory Board shall be guided by the interests of the company and the enterprise associated with it. The Supervisory Board may, with due observance of these present articles, adopt rules for regulating internal issues concerning itself.

- 14.2 The Supervisory Board shall appoint a chairman from among its members.
- 14.3 Each member of the Supervisory Board shall at all times have access to the company's offices and have the right to inspect the company's books, records and funds. The members of the Executive Board shall be obliged to provide to the best of their knowledge all information requested by a member of the Supervisory Board.
- 14.4 The Executive Board shall inform the Supervisory Board at least once a year of the main features of the strategic policy, the general and financial risks and of the management and monitoring system of the company.
- 14.5 The members of the Executive Board shall attend the meetings of the Supervisory Board when they are invited to do so and shall be bound on that occasion to provide to the best of their knowledge all information required about the company's affairs.
- 14.6 A member of the Supervisory Board shall not take part in the deliberations and decisionmaking if that member has a direct or indirect personal interest with regard thereto that conflicts with the interests of the company and the enterprise associated with it. If no decision can be taken by the Supervisory Board as a result thereof, the decision shall nonetheless be taken by the Supervisory Board.

Supervisory Board – committees

Article 15

The Supervisory Board may appoint committees from among its members in order to carry out the work designated by it, provided always that such committees may not be charged with passing resolutions as referred to in Articles 158 to 164 of Book 2 of the Civil Code.

General meetings of shareholders – general

Article 16

- 16.1 General meetings of shareholders shall be held in The Hague, Amsterdam, Rotterdam or Utrecht and shall be called by or on behalf of the Executive Board or the

Supervisory Board by means of a circular addressed to the shareholders and the usufructuaries entitled to vote and giving at least twenty-one days' notice, not including the day of the notice and that of the meeting.

- 16.2 The announcement of the intention to hold a general meeting of shareholders shall be made by or on behalf of the Executive Board and no later than on the twenty-first day before the day of the notice calling the general meeting, not including the day of the notice. In the case of urgent circumstances, the Executive Board can decide, following the approval of the Supervisory Board, not to observe such a period in respect of the announcement, without prejudice to the provisions of paragraph 1 of this article 16.
- 16.3 In addition, general meetings of shareholders shall be held as often as this is considered necessary by the Supervisory Board or the Executive Board or at least three members of the Supervisory Board or a member of the Executive Board or at least ten shareholders or one or more shareholders representing at least one-tenth of the issued capital, and this is requested of the Executive Board and the Supervisory Board in writing, together with the list of items to be dealt with; if such a request is not complied with in such a way that the meeting is held within a month, the applicant himself or the applicants themselves shall be entitled to call the meeting. This meeting shall appoint its own chairman and secretary by an absolute majority of votes.
- 16.4 The annual general meeting of shareholders at which the annual accounts, management board report and particulars to be added pursuant to Article 392, paragraph 1, of Book 2 of the Civil Code and the other items on the agenda, which shall in any case include granting discharge to the members of the Executive Board and the Supervisory Board from liability for their management and supervision, respectively, during the past financial year, as well as a discussion of the company's strategy, are to be dealt with shall be held annually before the first of July.
- 16.5 The notice calling a general meeting of shareholders shall state the place of the meeting and the items to be dealt with or contain a statement that the shareholders may take cognizance thereof at the company's office.

The report of the Executive Board as referred to in paragraph 3 shall be sent with the notice calling the annual general meeting of shareholders, together with the annual accounts drawn up by the Executive Board and the report issued by the registered accountant as referred to in Article 18 in respect of his audit. If the notice relates to a meeting at which a resolution to amend the articles of association is to be dealt with, a copy of the resolution containing the literal text of the proposed amendment and an explanation shall be sent with the notice. In addition, a copy of the resolution shall be deposited for inspection at the company's office until after the end of the meeting.

- 16.6 Each shareholder shall have the right to submit in writing resolutions for the agenda of a general meeting of shareholders to the Executive Board and to the Supervisory Board at the company's office. No resolutions other than those specified on the agenda may be dealt with. The request in writing by one or more shareholders to discuss any item shall be included in the notice convening the meeting or announced in the same way if the company has received the request not later than on the twenty-eighth day before that of the meeting.
- 16.7 The chairmanship of the general meeting of shareholders shall be held by the chairman of the Supervisory Board. If the person or persons designated above are absent, the meeting shall fill such vacancies by an absolute majority of votes.
- 16.8 Immediately after the start of the meeting, the chairman shall designate a secretary to draw up the minutes of the meeting. These minutes shall be made available on request not later than three months after the end of the general meeting of shareholders, after which the shareholders shall be given the opportunity during the following three months to respond to the minutes. The minutes shall then be adopted by the chairman and the secretary and shall serve as evidence to all persons of what has been decided, without prejudice to the provisions of Article 15 of Book 2 of the Civil Code. In the event of a difference of opinion between them, the matter shall be decided by the general meeting of shareholders following that to which the minutes relate. The above shall apply unless an official notarial record of the proceedings is drawn up.

- 16.9 Members of the Supervisory Board and of the Executive Board shall have the right to attend all general meetings of shareholders, to address the meeting and express an advisory opinion.
- 16.10 The Executive Board and the Supervisory Board shall provide the general meeting of shareholders with all requested information, unless a major interest of the company opposes this.

General meeting of shareholders – decision-making

Article 17

- 17.1 Each share carries the right to cast one vote.
- 17.2 Voting by proxy is permitted provided that a proxy may not represent more than one shareholder. A power of attorney shall be submitted at the meeting.
- 17.3 The Executive Board can decide that each shareholder is authorised, in person or by means of a proxy appointed in writing, to take part in, address and, insofar as applicable, exercise the vote to right at, the general meeting of shareholders by electronic means of communication. In order to take part in the general meeting on the basis of the preceding sentence, the shareholder must be able to be identified, made directly aware of the proceedings at the meeting and, insofar as applicable, exercise the right to vote by the electronic means of communication.
- 17.4 The Executive Board may set conditions for the use of the electronic means of communication. The conditions set for the use of the electronic means of communication shall be announced in the notice calling the meeting.
- 17.5 The Executive Board can resolve that votes cast prior to the meeting by electronic means of communication shall be considered to be equivalent to votes cast at the time of the meeting. Such votes shall not be cast earlier than on the thirtieth day before that of the meeting.
- 17.6 All subjects may be decided at general meetings of shareholders by an absolute majority of votes, unless a larger majority is prescribed in these articles of association. The chairman of the meeting shall decide on the manner in which the votes shall be cast. In the case of the election of persons, an absolute majority of the votes cast shall be required in order to be elected. If no one obtains an absolute majority of the votes in the first ballot, a second free ballot shall be held. If no

one then obtains an absolute majority of the votes, a third free ballot shall be held. If no one then obtains an absolute majority of votes, a further ballot between the two persons who obtained the most votes shall be held. If in this case more than two persons have obtained the same number of votes, the question of which of them are to be included in the further ballot shall be decided by lot. If this ballot too fails to produce a result, the matter shall be decided by lot.

- 17.7 In the event of a tied vote on business matters, a motion shall be deemed to have been rejected. Blank votes shall be deemed not to have been cast.

Registered accountant

Article 18

- 18.1 The company shall give a registered accountant the instruction to examine whether the annual accounts drawn up by the Executive Board comply with the regulations laid down by and pursuant to law, whether, as far he can judge, the management board report has been drawn up in accordance with the regulations laid down by and pursuant to law and can be reconciled with the annual accounts, and whether the supplementary particulars required by law have been added to it. The instruction may also be given to an organisation in which registered accountants work in cooperation.
- 18.2 The general meeting of shareholders shall be authorised to give the instruction to the registered accountant. The Supervisory Board may make a recommendation in this respect. If the general meeting of shareholders does not give an instruction to a registered accountant, the Supervisory Board shall be competent to do so or, if the Supervisory Board fails to do so, the Executive Board.
- 18.3 The appointment of the registered accountant shall not be restricted by any recommendation; the instruction may be revoked at any time by the general meeting of shareholders and by the company body which gave the instruction; an instruction given by the Executive Board may also be revoked by the Supervisory Board.
- 18.4 At the request of the registered accountant, the general meeting of shareholders shall hear him on the subject of the revocation of the instruction given to him or regarding the intention to do so as notified to him.

- 18.5 The registered accountant shall communicate his findings to the Supervisory Board and to the Executive Board and shall incorporate his findings in an auditors' report.
- 18.6 The registered accountant shall attend the annual general meeting of shareholders.

Financial year, management board report and annual accounts

Article 19

- 19.1 The financial year shall coincide with the calendar year.
- 19.2 Every year within five months of the end of the financial year, unless this period is extended for a maximum of five months by the general meeting of shareholders on account of special circumstances, annual accounts shall be drawn up by the Executive Board and submitted for approval to the general meeting. The management board report and the particulars which must be added pursuant to the statutory provisions shall be submitted by the Executive Board at the same time as the annual accounts.
- 19.3 The annual accounts shall be signed by all members of the Executive Board and all members of the Supervisory Board; if the signature of one or more of them is lacking, this fact and the reason for it shall be stated.
- 19.4 The annual accounts, the management board report and the other particulars to be added pursuant to the statutory provisions shall be deposited at the company's office for inspection by the shareholders and the usufructuaries entitled to vote, from the day of the notice calling the general meeting of shareholders at which they are to be dealt with; at their request the company shall provide them with copies free of charge. The Executive Board shall also send the annual accounts to the Works Council.
- 19.5 The annual accounts shall be adopted by the general meeting of shareholders. Adoption of the annual accounts shall not serve as discharge for a member of the Executive Board or Supervisory Board. The meeting of shareholders shall specifically discharge the members of the Executive Board and the Supervisory Board from liability for their management and supervision, respectively, in the past financial year.
- 19.6 The annual accounts, management board report and other particulars that have to be published by law shall be deposited at the commercial register within eight days of the adoption of the annual accounts.

Profit appropriation

Article 20

- 20.1 Profits shall be distributed after adoption by the general meeting of shareholders of the annual accounts showing that this is permissible.
- 20.2 The company may make payments to the shareholders from the profits available for distribution only in so far as its equity capital exceeds the amounts of the paid-up part of the capital plus the reserves which have to be kept by law.
- 20.3 Subject to the prior approval of the Supervisory Board, the Executive Board shall be authorised to add all or part of the profits to the general reserve. Any profits remaining thereafter shall be put at the disposal of the general meeting of shareholders.
- 20.4 The general meeting of shareholders may distribute a profit from a reserve available for distribution exclusively on the basis of a proposal submitted by the Executive Board and approved by the Supervisory Board.

General reserve

Article 21

If the general reserve exceeds twenty-five per cent (25%) of the issued capital, the general meeting of shareholders may, on a motion by the Executive Board and after obtaining the advice of the Supervisory Board, resolve to pay all or part of the amount in excess of this twenty-five per cent to the shareholders in proportion to the nominal amount of their shareholdings.

Amendment of articles of association and dissolution

Article 22

- 22.1 Resolutions to amend the articles of association and to dissolve the company may be passed only
- on a proposal of the Executive Board, following approval by the Supervisory Board; or
 - on a proposal of the general meeting of shareholders, provided that the members of the Executive Board and the members of the Supervisory Board must then be given an opportunity during a period of three months to issue advice to the general meeting of shareholders on the proposed amendment of the articles of association, at a general meeting of shareholders at which more than half of the issued capital is represented and also at least two-thirds of

the votes validly cast are in favour of the proposed amendment or dissolution.

- 22.2 If the required issued capital is not represented at the meeting referred to in paragraph 1, a new meeting shall be called, to be held within a period of at least fourteen days, not including the day of the notice and that of the meeting, and no more than one month; the day, time and place of the meeting shall be immediately determined by the Executive Board or the Supervisory Board. A resolution may be passed at this meeting, irrespective of the capital represented there, provided that it is passed by at least two thirds of the votes cast.

Winding up

Article 23

In the event of the dissolution of the company, it will be wound up by the Executive Board under the supervision of the Supervisory Board, unless the Supervisory Board appoints other liquidators.

Reduction of equity capital

Article 24

Within three months of the date on which the Executive Board may reasonably conclude that the company's equity capital has fallen to an amount equal to or lower than half of the paid-up and called-up part of the capital, a general meeting of shareholders shall be held to discuss any measures which may be necessary for it to take.

Unforeseen circumstances

Article 25

In all cases not provided for by law or by the company's articles of association, the general meeting of shareholders shall decide after consulting the Supervisory Board.

End of articles of association

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