



# Charter of the Supervisory Board of DHD.

Please note: for readability the responsibilities relating to AP Group or DHD only are stated in BOLD as '**WITH REGARD TO DHD.**' or '**WITHREGARD TO DHD.**'

## TABLE OF CONTENTS

### INTRODUCTION

#### CHAPTER I - COMPOSITION OF THE SUPERVISORY BOARD

- Policy 1. Supervisory Board composition, profile, expertise and Independence
- Policy 2. (Re)appointment and resignation – term of office
- Policy 3. Committees of the Supervisory Board
- Policy 4. Responsibilities of the Chairperson and the Vice-Chairperson
- Policy 5. Delegated Supervisory Board member
- Policy 6. Responsibilities of the Company Secretary

#### CHAPTER II - DUTIES OF THE SUPERVISORY BOARD

- Policy 7. General duties and responsibilities
- Policy 8. Specific duties and responsibilities
  - 1.1 Strategy
  - 1.2 Risk
  - 1.3 Compliance with legislation
  - 1.4 Legal and governance structure / Internal governance framework
  - 1.5 Conduct - Code of Conduct / Misconduct & irregularities
  - 1.6 Corporate Responsibility
  - 1.7 .g. Communications with competent authorities
  - 8.2 Approval MB resolution
  - 8.3 Central Works Council
  - 8.4 Material transactions
  - 8.5 Determining corporate governance structure
  - 8.6 Interaction with competent authorities
- Policy 9. Information requirements
- Policy 10. Remuneration and remuneration principles AP Group I DHD staff
- Policy 11. The relationship with and the performance of the Management Board (members)
  - 11.1 Appointment, suspension and dismissal
  - 11.2 Remuneration policy, remuneration and evaluation of performance
  - 11.3 Remuneration
  - 11.4 Assessment and evaluation
  - 11.5 Composition of the Management Board
  - 11.6 - 11.7 Other responsibilities
- Policy 12. The relationship with and the performance of the Supervisory Board (members)
  - 12.1 - 12.2 Appointment, suspension and dismissal
  - 12.3 Remuneration policy, remuneration and evaluation of performance
  - 12.4 - 12.6 Remuneration
  - 12.7 - 12.8 Other responsibilities
- Policy 13. **WITH REGARD TO AP Group I DHD.**, relation with shareholders and general meeting including public bid
- Policy 14. Financial policies, financial reporting process, preparation and disclosure of Periodic Financial Reports, Annual Report, Supervisory Board and Remuneration Report
- Policy 15. Duties and responsibilities the relationship with the External Auditor
- Policy 16. CAS

**CHAPTER III MEETINGS, DECISION-MAKING**

- Policy 17. Meetings
- Policy 18. Attendance at meetings
- Policy 19. Decision-making
- Policy 20. Internal Meeting

**CHAPTER IV OTHER PROVISIONS**

- Policy 21. Rules of conduct for Supervisory Board members
- Policy 22. Governing law and jurisdiction
- Policy 23. Annexes
- Annex 1 List of definitions
- Annex 2 Charter of the Risk Committee
- Annex 3 Charter of the Audit Committee
- Annex 4 Charter of the Nomination and Corporate Governance Committee
- Annex 5 Charter of the Remuneration Committee
- Annex 6 Management Board resolutions which require approval of the Supervisory Board

## **INTRODUCTION**

This Charter has been drawn up in accordance Act 2013 and with company Policy of the Polycys of association of DHD . and Policy of the Polycys of association of DHD .

This Charter is complementary to the provisions that relate to the Supervisory Board and the Supervisory Board members as contained in applicable legislation, regulations and the Polycys of Association.

This Charter is also complementary to the rules concerning the relationship between the Management Board and the Supervisory Board as described in the Charter of the Management Board.

Where this Charter is inconsistent with mandatory laws and regulations or the Polycys of Association, these mandatory rules will prevail.

The verb "supervise" where used in the Charter also includes the following meanings: oversee, monitor, constructively challenge, scrutinise and discuss.

Subject to applicable laws and regulations, the Supervisory Board may occasionally decide at its sole discretion not to comply with this Charter.

This Charter is posted on the Company's website. DHD.

The meaning of capitalised terms used in this Charter is explained in the list of definitions attached as Annex 1.

Key words

CHAPTER I - COMPOSITION OF THE SUPERVISORY BOARD

Policy. Supervisory Board composition, profile, expertise and Independence

Composition SB	<p>1.1 Within the limits of its powers, the Supervisory Board shall endeavour to ensure that it is adequately composed, at all times, so that:</p> <ul style="list-style-type: none"> <li>a. it has at least three members;</li> <li>b. its members have thorough knowledge of the Company's function in society and of the interests of all stakeholders involved;</li> <li>c. its members are able to act critically and independently of one another, the Management Board and any particular interest;</li> <li>d. each Supervisory Board member is capable of assessing the broad outline of the overall policy (<i>beleid</i>) of the Company to form a balanced and independent opinion about the basic risks involved;</li> </ul>
Matching Profile SB	<ul style="list-style-type: none"> <li>e. the Supervisory Board as a whole matches the Supervisory Board Profile and the composition of the Supervisory Board is such that it is able to carry out its duties properly;</li> </ul>
Suitability	<ul style="list-style-type: none"> <li>f. each Supervisory Board member has been assessed individually and collectively as being suitable for his/her position, is able to fulfil his/her duties and meets the fit and proper requirements according to the competent regulator. Further suitability and diversity requirements and procedures, which apply to the Supervisory Board and its members in addition to this Charter, have been set out in the Suitability Policy Framework,;</li> </ul>
Financial Expert Independence	<ul style="list-style-type: none"> <li>g. at least one Supervisory Board member is a Financial Expert;</li> <li>h. all Supervisory Board members, with the exception of not more than one, are Independent;</li> <li>i. no structural incompatibility of interests, whether real or perceived, exists between any Supervisory Board member and the Company and its Group Companies; and</li> </ul>
Outside positions	<ul style="list-style-type: none"> <li>j. all Supervisory Board members comply with their obligation to limit outside positions as set out in Policy of this Charter and make sufficient time available for their duties.</li> </ul>
Evaluation of functioning of SB	<p>1.2 <u>The Supervisory Board shall in any event assess at least annually, and at least every three years under independent supervision, in an Internal Meeting:</u></p> <ul style="list-style-type: none"> <li>a. the structure, size, competence and composition of the Supervisory Board and its Committees;</li> <li>b. its diversity, taking into account applicable regulatory requirements;</li> <li>c. the functioning, expertise and experience of the Supervisory Board as a whole, its Committees and its individual members and the conclusions that must be drawn on this basis;</li> <li>d. the culture within the Supervisory Board;</li> <li>e. the involvement of each Supervisory Board member;</li> <li>f. the desired Supervisory Board's Profile;</li> <li>g. its interactions with the Management Board;</li> <li>h. events from which lessons can be learnt; and</li> <li>i. the effectiveness of the permanent education programme referred to in Policy 21.6 of this Charter, and the need for further training or education of Supervisory Board members on any relevant aspect during their term of office.</li> </ul>

[Back to top](#)

Supervisory Board Profile

- 1.3 **WITH REGARD TO AP Group I DHD..** the Supervisory Board shall
- a. submit for discussion to the General Meeting each amendment of the Supervisory Board Profile;
  - b. if a vacancy in the Supervisory Board exists or is expected, prepare, on the basis of the Supervisory Board Profile and in accordance with the Suitability Policy Framework, an individual profile for the new Supervisory Board member to be appointed, taking into account the composition of the Supervisory Board and the expertise and experience that is available within the Supervisory Board; and
  - c. if the position of Chairperson of the Supervisory Board becomes vacant or is expected to become vacant, prepare an individual profile for the Chairperson to be appointed.

Non-independence

1.4 If a Supervisory Board member is not Independent, the Supervisory Board may nevertheless decide that he/she shall be considered independent, stating the valid reasons for its a decision.

Number of members, organisation etc.

1.5 **WITH REGARD TO AP Group I DHD.,** the Supervisory Board shall, after consultation with the CEO, determine the number of Supervisory Board members and shall furthermore determine its organisation, modus operandi and Charter.

Stock Exchange requirements: independence and experience

1.6 **WITH REGARD TO AP Group I DHD.,** as long as shares of the Company are listed on any stock exchange, the Supervisory Board members shall, to the extent that such requirements are binding upon the Company, meet the independence and experience requirements of that stock exchange and any implementing rules of relevant supervisory authorities (including applicable codes of conduct) in addition to the requirements of the above Polycys.

**Policy. (Re)appointment and resignation – term of office**

Term of office SB member

2.1 Supervisory Board members shall be nominated for appointment for a maximum of four years and may be reappointed once for another four-year period. Supervisory Board members may be nominated for reappointment for an additional period of two years, which period may be extended by another period of no more than two years thereafter. The Supervisory Board may deviate from the above in special circumstances at its discretion. On reappointment the candidate's performance in the past period as a Supervisory Board member is taken into account. A Supervisory Board member shall be nominated for reappointment only after careful consideration and reappointment shall in no way be automatic.

Retirement schedule

2.2 The current and future terms of appointment of the present Supervisory Board members will be reflected in a retirement schedule. To avoid that many Supervisory Board members would retire simultaneously, the Supervisory Board may amend the retirement schedule at any time. Such amendment, however, may not compel a Supervisory Board member to early resign against his/her will.

Maximum number of outside positions

2.3 A candidate who holds more executive, non-executive or supervisory directorships than permitted under Policy may not be nominated for (re)appointment, unless it may reasonably be expected that the situation prohibited by this provision no longer exists at the time of (re)appointment.

Information on nomination

2.4 Any nomination to (re)appoint a Supervisory Board member, shall state the candidate's age, profession, reason for nomination, the number of the shares he/she holds in the Company's capital and the positions he/she holds or has held, where relevant for the performance of the duties of a Supervisory Board member. Furthermore, if the nominee holds an executive or non-executive directorship at another legal entity, the nomination shall include the names of these entities; provided that if the entities belong to the same group, a reference to that group is sufficient.

Early retirement

2.5 A Supervisory Board member shall, at his/her own initiative, retire early in the event of inadequate performance, structural incompatibility of interests and in any other instances in which this is deemed necessary by the Supervisory Board. If a Supervisory Board member does not comply with this provision, the Supervisory Board may propose to the General Meeting to dismiss that Supervisory Board member.

SB member temporarily managing AP Group I DHD, resigns as SB member

2.6 A Supervisory Board member who takes on the management of the Company on a temporary basis, where seats on the Management Board are vacant or Management Board members are unable to fulfil their duties, shall temporarily resign from the Supervisory Board.

SB Committees

**Policy. Committees of the Supervisory Board**

Committee Charter

3.1 The Supervisory Board may appoint permanent and/or ad hoc Committees from among its members, which shall have the responsibilities set out by the Supervisory Board. The Supervisory Board shall establish a Charter for each permanent Committee and may amend such charters at any time. The Charter shall indicate the role and responsibilities of the Committee concerned, its composition and the manner in which it performs its duties. A Charter shall state in any event who may participate in the Committee's meetings and how a Committee shall report to the full Supervisory Board.

Composition Committee

3.2 The Supervisory Board shall decide on the composition of any Committee in accordance with the requirements of the applicable Charter or alternatively, in case of an ad hoc Committee, in writing, considering occasional rotation and cross-participation of the Committee's members and chairperson, taking into account the specific experience, knowledge and skills that are individually or collectively required for the Committees and in accordance with the Suitability Policy Framework. As a general rule, a Committee will not have the same group of members that forms another Committee. The membership of a Committee will terminate automatically when the relevant member ceases to be a Supervisory Board member.

Collective responsibility

3.3 Subject to the exceptions by law, the Supervisory Board as a whole remains collectively responsible for discussion items reported and decisions prepared by a Committee. A Committee may only exercise the powers that are explicitly attributed or delegated to it and may never exercise powers beyond the powers that the Supervisory Board can exercise as a whole. Each Committee shall inform the Supervisory Board of any major development in the area of its responsibilities.

Committee only explicitly attributed powers

RiCo  
Audit Cie  
NCGcom  
RemCo

3.4 The Supervisory Board has established the Risk Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee as permanent Committees.

**Policy. Responsibilities of the Chairperson and the Vice-Chairperson**

SB Chairperson

4.1 The Chairperson shall be primarily responsible for monitoring the proper functioning of the Supervisory Board and its Committees. He/she shall be the representative of the Supervisory Board and the main contact for, among others, the CEO (with whom the Chairperson consults regularly), the Management Board, the Supervisory Board, shareholders, external advisers and Company departments where necessary.

Vice-Chairperson

The Vice-Chairperson, appointed by the Supervisory Board, shall be the contact for individual Supervisory Board members and Management Board members regarding the functioning of the Chairperson. Together with the Vice-Chairperson, the Chairperson shall be a sounding board for the Management Board.

Specific tasks  
Chairperson SB

4.2 Without prejudice to the generality of Policy, the Chairperson shall ensure that:

Information to SB  
members

a. the Supervisory Board members receive all information which is necessary for the proper performance of their duties in a timely manner and to make sound and well-informed decisions;

Open and critical  
discussion

b. there is sufficient time for consultation, deliberation and decision-making by the Supervisory Board, that there is an open and critical discussion and that dissenting views can be expressed and discussed as part of the decision-making process;

SB functioning

c. the Supervisory Board, its Committees and its individual members function properly;

Contact with MB,  
Central Works  
Council

d. the Supervisory Board has proper contact with the Management Board, the Central Works Council (as set out the Covenant between the Central Works Council and the Management Board) and **WITH REGARD TO AP Group I DHD**, the General Meeting;

Vice-Chairperson

e. the Supervisory Board appoints a Vice-Chairperson, who deputises for the Chairperson when the occasion arises;

Introduction  
programme & PE SB  
and MB

f. an introduction programme and a permanent education programme for the Supervisory Board members and the Management Board members are available and will be prepared by him/her in consultation with the Management Board. These programmes shall cover among others general financial, social, and legal affairs, financial reporting by the Company, any specific aspects that are unique to the Company, its business activities and the financial sector, the Company's culture and the relationship with the Central Works Council, corporate governance in general and in the financial sector in particular, the duty of care towards the client, integrity, risk management, financial reporting and the responsibilities of a Supervisory Board member and Management Board member respectively;

Annual assessment  
MB SB members

g. Supervisory Board members and Management Board members participate in the programmes referred to in Policy item f above;

h. the individual performance of the Management Board members and the Supervisory Board members is assessed at least annually; and

[Back to top](#)



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| Culture long-term value creation    | <p><b>WITH REGARD TO AP Group I DHD.</b></p> <p>i. the Executive Board shall perform activities in respect of a culture focused on long-term value creation and stimulating openness and accountability within the Company and its Subsidiaries;</p>  |
| Material misconduct irregularities  | <p>j. the Supervisory Board is receptive to signs from affiliated companies of the Company and ensures that any (suspicion of) material misconduct or irregularities are reported to the Supervisory Board without delay;</p>   |
| GM orderly & efficient              | <p>k. the General Meeting takes place in an orderly and efficient manner and effective communication with Shareholders is assured;</p>  |
| Merger and take-over                | <p>l. the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes; and</p>  |
| Responsible partner Ext Aud. at AGM | <p>m. the responsible partner (certifying auditor) of the firm of the External Auditor is present at the General Meeting, that he/she, through the chairperson of the General Meeting, may be questioned in relation to his/her statement on the fairness of the Annual Accounts and that he/she can address the General Meeting.</p> |

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| Agenda and chairing SB meetings<br>Chairing GM<br>functioning problems SB members<br>Internal disputes | <p>4.3 In addition to Policy, the Chairperson shall be primarily responsible for:</p> <p>a. setting the agenda of Supervisory Board meetings ensuring that sufficient priority is given to strategic issues and, chairing such meetings, as well as <b>WITH REGARD TO AP Group I DHD</b>, the General Meetings;</p> <p>b. addressing problems related to the functioning of individual Supervisory Board members, provided that the Vice-Chairperson shall address problems related to the functioning of the Chairperson; and</p> <p>c. addressing internal disputes, and conflicts of interest concerning individual Supervisory Board members.</p> |
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Resolutions GM certified by Chairperson	<p>4.4 A resolution of the General Meeting may be confirmed in a statement by the Chairperson.</p>
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**Policy. Delegated Supervisory Board member**

Delegated SB member under special circumstances	<p>The Supervisory Board as a rule shall not have a “delegated Supervisory Board member” (<i>gedelegeerd commissaris</i>). Under special circumstances, however, the Supervisory Board may decide to appoint a “delegated Supervisory Board member”. The delegation may not extend beyond the duties of the Supervisory Board itself and may not include the management of the Company. It may entail more intensive supervision and advice and more regular consultation with the Management Board. The delegation shall be of a temporary nature only.</p>
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The delegation may not detract from the role and powers of the Supervisory Board. The “delegated Supervisory Board member” shall remain a Supervisory Board member and should report regularly on the execution of his/her special duty to the plenary Supervisory Board.

### **Policy. Responsibilities of the Company Secretary**

Company Secretary assists SB and MB	6.1 The Company Secretary shall assist the Supervisory Board as described in this Charter. All Supervisory Board members shall have access to the advice and services of the Company Secretary.
Company Secretary responsible for correct procedures	6.2 The Company Secretary is responsible for ensuring that correct procedures are followed according to this Charter and that the Supervisory Board acts in accordance with applicable rules and regulations and its obligations under the Polycys of Association.
Assists Chairperson in organisation of SB	The Company Secretary shall assist the Chairperson in organising the affairs of the Supervisory Board (preparing meetings, recording minutes and conflicts of interests, evaluations, education programmes, etc.) and shall generally facilitate the provision of information to the Supervisory Board.
Disclosure on website company	The Company Secretary shall ensure that the information that should be disclosed according to the law, the Polycys of Association or to the corporate governance practices applied by the Company is disclosed on the Company's corporate website,DHD
Delegations of tasks	6.3 The duties of the Company Secretary under this Charter, or parts thereof, may be delegated to one or more other people, in consultation with the CEO.
Resolutions Gen Meeting certified by Comp Sec	6.4 A resolution of the General Meeting may be confirmed in a statement by the Company Secretary.
Comp Secr reports to Chair conflict of interest SB and MB	6.5 If the interests of the Management Board and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, he/she should report this to the Chairperson.

#### **Keywords**

### **CHAPTER II - DUTIES OF THE SUPERVISORY BOARD**

#### **Policy. General duties and responsibilities**

SB supervising & advising MB	7.1 The Supervisory Board shall supervise the policy ( <i>beleid</i> ) of the Management Board, and the general course of affairs of the Company and the business connected with it. The Supervisory Board shall assist the Management Board with advice.
Guided by interest company	7.2 In performing its duties, the Supervisory Board shall: <ul style="list-style-type: none"> <li>a. be guided by the interests of the Company and the business connected with it, thereby carefully considering and balancing the interests of all stakeholders of the Company, when drawing that balance, giving paramount importance to the customer's interest, as set out in the India;</li> <li>b. foster a culture focused on long-term value creation, financial and non-financial risk awareness , compliance with the Company's risk appetite, responsible and ethical behaviour and stimulate openness and accountability within the Company and its Subsidiaries; and</li> </ul>
Fostering long-term value creation	

[Back to top](#)

Effective functioning

c. ensure that it functions effectively.

Performance of duties without mandate

7.3 The Supervisory Board and its members shall perform their duties without mandate and independent of any interest in the business of the Company and shall, if necessary or appropriate, adopt an independent stance vis-à-vis the Management Board and any other particular interests.

**Policy. Specific duties and responsibilities**

Supervising & advising MB re Strategy

8.1 The duties and responsibilities of the Supervisory Board shall include in any event supervising and advising the Management Board with respect to:

a. the Company’s strategy, including among others long-term value creation and its implementation, the values and behaviours, material aspects of its Key Policies and their implementation and the main financial and non-financial risks associated with its business activities;

Risk

b. (i) the risk strategy;  
 (ii) the material risks the Company is or might be exposed to – including those posed by the macroeconomic environment in which it operates in relation to the status of the business cycle – with a view to assessing at the strategic level whether the capital allocation and liquidity impact in general are in line with the approved risk appetite, risk strategy and regulatory capital allocation and liquidity requirements and whether the commercial activities in general are appropriate in the context of the Company’s risk appetite; and  
 (iii) the internal risk management and control systems, including the outcomes of the assessment on the effectiveness of the design, implementation, operation and maintenance of the internal risk management and control systems (which also includes the resourcing of the risk management function), at least annually but in any event upon a material change thereof;

Compliance with legislation

c. compliance with legislation and regulations applicable to the Company and its Subsidiaries;

Legal and governance structure

d. (i) the Company’s legal structure, governance structure and organisational structure affecting its effective and prudent management;

Internal governance framework

(ii) the periodic assessment of the effectiveness of the Company’s internal governance framework and appropriate steps to address any material identified deficiencies in internal controls;

Conduct Code of Conduct

e. (i) compliance with the Code of Conduct. In addition, the Supervisory Board shall assess any key findings and observations relating to compliance with the Code of Conduct, at least annually;

Misconduct & irregularities

(ii) indications of actual or suspected misconduct or irregularities and appropriate follow-up actions;

Corporate responsibility

f. the corporate social responsibility matters that apply to or are adopted by the Company; and

Communications with competent authorities

g. overseeing the process of disclosure and communications with external stakeholders and competent authorities including but not limited to the relevant regulators and external supervisors.

Approval MB resolution

8.2 The duties and responsibilities of the Supervisory Board include considering and approving any resolutions of the Management Board which are subject to

[Back to top](#)

Supervisory Board approval pursuant to the law, Polycs of Association and/or the Charter of the Management Board. Annex 6 of this Charter includes an overview of Management Board resolutions which require approval of the Supervisory Board.

Central Works Council

8.3 The Supervisory Board shall interact with the Central Works Council in accordance with any arrangements agreed with them from time to time.

Material transaction

8.4. **WITH REGARD TO DHD.**, the Supervisory Board shall assess the outcome of the check of the respective business line CFO/Group Controller and of the Executive Board, which check focuses on whether a potential material transaction (in the meaning of Policy ), to be conducted by the Company or a Subsidiary, is intended to be concluded: (i) in the ordinary course of AP Group I DHD business and (ii) under normal market conditions.

Determining corporate governance structure

8.5 **WITH RESPECT TO AP Group I DHD.** the Supervisory Board shall determine, together with the Executive Board, the corporate governance structure of the Company and submit each material change therein to the General Meeting for discussion or, to the extent required, for approval, thereby ensuring compliance with the India Corporate Governance Code and other foreign applicable rules and regulations.

Interaction with competent authorities

8.6 The Supervisory Board shall supervise that the Company has frequent interaction regarding Company related matters with the competent authorities including but not limited to the relevant regulators and external supervisors. This in order to ensure that among others the Supervisory Board, the Management Board, and its respective members are available to such authorities in order to have periodic exchanges, whether scheduled or ad hoc and through any means of communication taking into account the respective roles and responsibilities of parties involved.

### Policy 9. Information requirements

information safeguards

9.1 The Supervisory Board shall supervise and advise the Management Board with respect to the establishment and maintenance of internal procedures that safeguard that all relevant information is known to the Supervisory Board and Management Board on time.

Responsible to obtain information

9.2 The Supervisory Board and its members have their own responsibility for obtaining all the information needed to carry out their duties as a supervisory body properly from, among others, the Management Board, CAS, the Central Works Council and the External Auditor, notwithstanding the obligation of the Management Board to provide the Supervisory Board with information.

Unrestricted access to books, records and premises

9.3 The Supervisory Board shall have unrestricted access to the Company's books, records and premises. If the Supervisory Board considers it necessary, it may obtain information from officers and external advisers of the Company. The Company shall provide the resources needed for this purpose. The Supervisory Board may require that certain officers and external advisers attend its meetings.

Option to start own investigations re. irregularities

9.4 To safeguard the independence of the investigation in cases where the Management Board itself is involved, the Supervisory Board should have the option

[Back to top](#)

to initiate its own investigation into any irregularities that have been discovered and to coordinate this investigation.

**Policy. Remuneration and remuneration principles AP Group I DHD staff**

Remuneration of employees

The Supervisory Board shall:

- a. supervise and advise the Management Board with respect to the remuneration of employees, which includes, insofar required according to Policy of this Charter, the approval of Management Board resolutions pertaining thereto;
- b. review and adopt the AP Group I DHD Remuneration Regulations Framework, which contains general remuneration principles applied by the Company and its Subsidiaries, at least annually but in any event upon a material change thereof;
- c. assess the application, both prospective and retrospective, of the AP Group I DHD Remuneration Regulations Framework by the Company and its Subsidiaries, including any material exemptions made for individual staff members and the actual remuneration of Identified Staff, at least annually.

**Policy. The relationship with and the performance of the Management Board (members)**

Selecting candidates for EB and suspending and proposal to dismiss

11.1.a **WITH REGARD TO DHD.**, the Supervisory Board:

- (i) is responsible for selecting and (with due observance of Policies ) nominating to the General Meeting candidates for appointment to the Executive Board who meet the requirements of the Executive Board Profile and the Suitability Policy Framework;
- (ii) may suspend, request the early retirement of or propose to the General Meeting to dismiss Executive Board members; and
- (iii) is responsible for taking measures to manage the Company if the Executive Board is unable to perform its duties.

Selecting candidates for MBB and proposal to suspend and dismiss

11.1.b **WITH REGARD TO DHD.**, the Supervisory Board is responsible for:

- (i) selecting and recommending candidates for appointment to the Management Board; and
- (ii) proposing to suspend or dismiss Management Board members.

EB remuneration policy

11.2 a **WITH REGARD TO DHD.**, the Supervisory Board

- (i) is responsible for formulating the Executive Board remuneration policy while taking into account the applicable general remuneration principles included in the AP Group I DHD Remuneration Regulations Framework; and
- (ii) shall submit a proposal to the General Meeting for adoption of the Executive Board remuneration policy at least every four years. Amendments to the Executive Board remuneration policy are subject to the approval of the General Meeting; and
- (iii) is responsible for the implementation and evaluation of the Executive Board remuneration policy.

MBB remuneration policy

11.2.b **WITH REGARD TO DHD.**, the Supervisory Board is responsible for

- (i) formulating – either by reference to AP Group I DHD Remuneration Regulations Framework or to other remuneration principles adopted by the Company – the

[Back to top](#)

remuneration policy for the Management Board members and proposing this for adoption to the General Meeting; and  
(ii) its implementation and evaluation.

Determining remuneration members EB and MBB

11.3 The Supervisory Board shall determine the remuneration and other terms and conditions of employment of the Management Board members, as well as the readjustment and/or reclaim of any variable remuneration payable or paid to Management Board members.

Evaluation and assessment MB and members

11.4 The Supervisory Board shall evaluate and assess the functioning of the Management Board and the performance of individual Management Board members, also in accordance with the Suitability Policy Framework, and the conclusions drawn on the basis hereof, including questions of succession and remuneration, at least annually in an Internal Meeting.

MB composition, diversity, at least annually in an Internal Meeting

11.5 The Supervisory Board shall:

- a. supervise the structure, size and composition of the Management Board and the diversity within it, at least annually in an Internal Meeting;
- b. determine the number of Management Board members after consultation with the CEO, taking into account the minimum number of board members required in the Polycys of Association;
- c. designate a Management Board member to hold the office of CEO, CFO, CRO or any other board position;
- d. consider and approve (or propose, if appropriate) any changes to the division of tasks within the Management Board; and
- e. take measures to manage the Company if the Management Board is unable to perform its duties.

Conflicts of Interest DHD and MB members

11.6 The Supervisory Board shall handle (potential) conflicts of interests between the Company or its Subsidiaries and Management Board members.

Outside positions MB

11.7 Outside positions held by the Management Board members shall be:

- a. assessed by the Supervisory Board, at least annually; and
- b. approved by the Chairperson, as mandated by the Supervisory Board.

**Policy. The relationship with and the performance of the Supervisory Board (members)**

Selecting candidates for SB and suspending and proposal to dismiss

12.1.a **WITH REGARD TO DHD..**, the Supervisory Board is, with due observance of Polycys of its Polycys of Association, responsible for selecting and nominating to the General Meeting candidates for (re)appointment to the Supervisory Board who meet the requirements of the Supervisory Board Profile, the Suitability Policy Framework and this Charter.

Selecting candidates for SB

12.1.b **WITH REGARD TO DHD** Supervisory Board is responsible for selecting and nominating to the General Meeting candidates for (re)appointment to the Supervisory Board who meet the requirements of the Supervisory Board Profile, the Suitability Policy Framework and this Charter.

Suspend and dismissal SB members

12.2 The Supervisory Board may propose to the General Meeting to suspend or dismiss Supervisory Board members.

SB remuneration policy

12.3 **WITH REGARD TO DHD .**, the Supervisory Board:

- a. shall submit a proposal to the General Meeting for adoption of the Supervisory Board remuneration policy at least every four years. Amendments to the Supervisory Board remuneration policy are subject to the approval of the General Meeting;
- b. is responsible for implementing and evaluating the Supervisory Board remuneration policy; and
- c. reviews the Supervisory Board remuneration policy at least annually.

SB member remuneration

12.4 The remuneration of a Supervisory Board member shall not depend on the results of the Company. A Supervisory Board member shall not be granted any shares and/or rights to shares in the Company's capital by way of remuneration. If a Supervisory Board member is required to charge GST , VAT on his/her fees, the Company shall pay the GST, VAT owed.

Reimbursement costs

12.5 In addition to their remuneration, Supervisory Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. Any other expenses shall be reimbursed, either fully or partial, only if incurred with the consent of the Chairperson or if it concerns the Chairperson with the consent of the Vice-Chairperson.

Remuneration SB DHD

12.6 The remuneration of Supervisory Board members of DHD. is included in the remuneration they receive as Supervisory Board member from DHD.

Outside positions SB

12.7 The Supervisory Board shall assess the outside positions of Supervisory Board members, at least annually.

**Policy. WITH REGARD TO DHD., relation with shareholders and general meeting including public bid**

**WITH REGARD TO DHD.:**

Relationship with shareholders

13.1 The Supervisory Board shall supervise and advise the Executive Board with respect to the relationship between the Company and its shareholders and holders of American depositary receipts.

Preparation General Meeting

13.2 The Supervisory Board shall:

- a. prepare and supervise the preparation of the General Meetings, including the drafting of the agenda thereto, thereby observing that the explanatory notes to the agenda of the General Meeting state the material facts and relevant circumstances with respect to any approval, delegation of powers or authorisation to be requested from the General Meeting;

(Explanatory notes to) agenda

- b. supervise and advise the Executive Board in respect of the use of a response period as referred to in the India Corporate Governance Code;
- c. assess any proposal to be submitted to the General Meeting.

[Back to top](#)



Rights General Meeting

13.3 The Supervisory Board shall comply with all statutory and other provisions relating to the rights of the General Meeting and of shareholders with respect thereto and shall procure that the General Meeting is adequately provided with relevant information as requested, unless this would be contrary to an overriding interest of the Company. If the Supervisory Board invokes an overriding interest, it must give the reasons therefor.

Public bid

13.4 The Supervisory Board shall assess any public bid for the shares (including American depository receipts) issued by the Company, any private bid by a third party for a business unit or participating interest in the Company (to the extent known by the Executive Board), or any substantial change to the structure of the organisation, including any material development in respect thereof: forthwith;

Competing bid

13.5 The Supervisory Board shall assess any request from a competing bidder to inspect the Company's records, made after a takeover bid for the Company was announced or made.

**Policy. Financial policies, financial reporting process, preparation and disclosure of Periodic Financial Reports, Annual Report, Supervisory Board Report and Remuneration Report**

Financial policies & Annual Review

Financial reporting process

Preparation and disclosure Periodic Financial Reports

14.1 The Supervisory Board shall supervise and advise the Management Board with respect to:

- a. the Company's financial policies, including but not limited to the tax policy, and the financing of the Company, including the long-term funding, and assess these topics, at least annually;
- b. the financial reporting process, including the integrity and quality of the financial reporting and the effectiveness of the internal risk management and control systems with respect to the financial reporting referred to in Policy item e of the Management Board Charter; and
- c. the preparation and disclosure of the Periodic Financial Reports and any ad hoc financial information or disclosure of other information on matters that may substantially influence the price of any listed security issued by the Company to the relevant parties in the financial markets.

Ensure procedures complaint re accounting

14.2 The Supervisory Board shall ensure that procedures are established for the receipt, recording and handling of complaints regarding accounting, internal accounting controls or auditing matters or the violation of internal or external regulations.

SB Report

14.3 The Supervisory Board shall draw up an Annual Supervisory Board Report, within four months following the end of each financial year, to be included in the Annual Accounts describing its activities in the financial year concerned and containing the specific statements and information prescribed by applicable laws and regulations.

Discussion items with external auditor

14.4 The Supervisory Board shall assess the following financial reports of the Company, prepared by the Management Board and reviewed and assessed by the Audit Committee, and discuss these reports in the presence of the External Auditor:

[Back to top](#)



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|---------------------|--|
| Annual Report       | a. the Annual Financial Report as well as the draft audit report of the External Auditor, including, <b>WITH REGARD TO</b> ., the most important points of discussion arising between the External Auditor and the Executive Board, together with the Annual Supervisory Board Report: within four months following the end of each financial year (notwithstanding the timing mentioned in Policy item d below in respect of Form); |
| Semi-annual Report  | b. the Semi-Annual Financial Report, within three months following the end of the first six months of each financial year;   |
| Quarterly accounts  | c. the quarterly accounts or other financial information on the first and third quarter of each financial year within three months following the end of the relevant reporting period;   |
| Form 20-F           | <b>WITH REGARD TO DHD.</b> unless the Supervisory Board delegated this matter entirely to its Audit Committee:   |
| Form 6-K            | d. the annual report on Form as examined by the External Auditor: within three months following the end of each financial year; and<br>e. any interim financial information on Form: within three months following the end of the first six months of each financial year.   |
| Remuneration Report | 14.5 <b>WITH REGARD TO DHD.</b> , the Supervisory Board will adopt a remuneration report, in which the compensation of the Supervisory Board and Executive Board members and the policies on which it is based is communicated transparently. This report will be <u>annually</u> submitted to the General Meeting for an advisory vote.   |

**Policy. Duties and responsibilities the relationship with the External Auditor**

- |  |   |
|--|---|
| Relationship with External Auditor                             | 15.1 The Supervisory Board administers the Company's relationship with the External Auditor, including:   |
| Nominating candidate to General Meeting                        | a. nominating a candidate for appointment or reappointment as External Auditor to the General Meeting and recommending its replacement. <b>WITH REGARD TO DHD.</b> , the Supervisory Board will communicate to the General Meeting at least the main conclusions regarding the nomination and the outcome of the selection process;   |
| Terms of engagement  | b. resolving the terms of engagement after having determined the scope and materiality of the audit, and the remuneration of the External Auditor, based on a proposal of the Audit Committee;  |
| Remuneration   | c. determining the remuneration of the External Auditor   |
| Conflicts - role of Audit Committee                            | d. handling (potential) conflicts of interest between the Company or its Subsidiaries and the External Auditor and to the extent that these cannot be resolved in accordance with the relevant provisions in the Charter of the Audit Committee; and  |
| Contact re functioning   | e. maintaining regular contact with the External Auditor and informing it about its functioning.  |
| Relationship, functioning and independence of External Auditor | 15.2 In addition to matters requiring the approval of the Supervisory Board under the law, the Polycs of Association or the Management Board Charter, the Supervisory Board shall in any event assess:<br>a. the relationship with the External Auditor, its functioning and independence, taking into account its dealings with the Audit Committee and the Management Board, and their assessment of the External Auditor's independence, and the conclusions to be drawn on the basis hereof (e.g. the |

[Back to top](#)

desirability of rotating the responsible partners of the External Auditor and the desirability of the External Auditor to provide both audit and non-audit services to the Company and its Group Companies): annually or earlier if required because of the urgency or the importance of the matter but in any event in connection with the nomination of a candidate for appointment or reappointment as External Auditor;

Assessment of functioning External Auditor

b. the thorough assessment, conducted by the Audit Committee, of the functioning of the External Auditor in its various capacities within the Company and its Subsidiaries at least once every four years. **WITH REGARD TO DHD.**, the main conclusions of this assessment shall be communicated to the General Meeting when proposing to renew or terminate the engagement with the External Auditor; and

Recommendations of External Auditor

c. the implementation by the Management Board of any material recommendation made by the External Auditor, to the extent accepted by the Management Board.

**Policy. CAS**

Supervising and advising MB on CAS

16.1 The Supervisory Board supervises and advises the Management Board with respect to CAS, including:

Assessment functioning CAS

a. assessing the functioning of CAS, taking into account the Audit Committee's opinion, at least annually;

Appointment & remuneration GM CAS

b. recommendations for and approval of the appointment and dismissal of the General Manager CAS and **WITH REGARD TO DHD .**, the remuneration of the General Manager CAS;

Assessment functioning GM CAS CAS audit plan

c. the assessment of the functioning of the General Manager CAS by the CEO;

d. the approval of the CAS audit plan at least annually, thereby considering sufficiency of CAS' resources and skills to execute the plan; and

Evaluation CAS audit charter

e. the evaluation of the CAS audit charter at least annually.

Recommendation CAS

16.2 the Supervisory Board shall supervise and advise on the implementation by the Management Board of any material recommendation made by CAS, to the extent accepted by the Management Board.

**Key words**

**CHAPTER III MEETINGS, DECISION-MAKING**

**Policy. Meetings**

Meetings SB at least 6 times a year

17.1 The Supervisory Board shall meet when a Supervisory Board member or the Management Board considers it necessary or desirable for the proper functioning of the Supervisory Board, but at least six times a year. Meetings shall be scheduled annually in advance as much as possible.

Called by Comp Secr in consultation with Chair

17.2 Meetings of the Supervisory Board shall in principle be called by the Company Secretary in consultation with and on behalf of the Chairperson. Except in urgent cases, to be decided by the Chairperson, the agenda for the meeting shall be sent to all Supervisory Board members at least three calendar days before the meeting. Where possible, a written explanation shall be provided for each item on the agenda, and/or other related documentation will be attached. The Chairperson

Agenda

shall in principle consult on the content of the agenda with the CEO before the meeting is convened.

Request for agenda item

17.3 Each Supervisory Board member, and each Management Board member is entitled to request that an item will be placed on the agenda of a Supervisory Board Meeting.

Place of SB meetings

17.4 Supervisory Board meetings shall generally be held at the offices of the Company, but may also take place elsewhere. In addition, meetings of the Supervisory Board may be held by teleconference, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

Manner of meeting

Chair in case of absence Chair and Vice-Chair

17.5 Supervisory Board meetings are presided over by the Chairperson or, in his/her absence, the Vice-Chairperson. If both the Chairperson and the Vice-Chairperson are absent, one of the other Supervisory Board members, designated by a majority of votes cast by the Supervisory Board members present at the meeting, shall preside.

Minutes of meeting

17.6 The Company Secretary or any other person designated by the chairperson of the meeting shall draw up minutes of the meeting.

Content of minutes

Minutes of Supervisory Board meetings shall provide insight in the discussion and decision-making process and set out the resolutions adopted at the meeting. The minutes shall be adopted by the Supervisory Board at the same meeting or a subsequent meeting and be added to the register of minutes of the Supervisory Board.

### **Policy. Attendance at meetings**

MB members in principle to attend SB meeting

18.1 The Management Board members shall be requested to attend the Supervisory Board meetings, unless the Supervisory Board indicates otherwise.

Representation SB member - proxy in writing

18.2 A Supervisory Board member may be represented at Supervisory Board meetings by another Supervisory Board member holding a proxy in writing. The existence of such proxy shall be proved satisfactorily to the chairperson of the meeting.

Chairperson of meeting decides on admittance of other persons

18.3 The chairperson of the meeting shall decide whether to admit persons other than Supervisory Board members, the Company Secretary and the Management Board members.

### **Policy. Decision-making**

Adoption of resolutions

19.1 The Supervisory Board shall preferably adopt all resolutions unanimously. Where unanimity cannot be reached and the Polycs of Association, this Charter or applicable laws and regulations do not require otherwise, all resolutions of the Supervisory Board shall be adopted by an absolute majority of the votes cast. In the event of a tie, the chairperson of the meeting has the deciding vote.

[Back to top](#)

One vote	19.2 Each Supervisory Board member has the right to cast one vote on each item on which the Supervisory Board has to decide.
Resolutions in meeting. Majority	19.3 The Supervisory Board shall generally adopt all resolutions in a meeting. No resolutions may be passed if the majority of the Supervisory Board members then in office, other than those who have a conflict of interest, is not present or represented.
Item to next meeting	19.4 If necessary, items may be carried over to a later meeting by the Chairperson of the meeting.
Resolution without a meeting	19.5 If, considering the urgent nature and other circumstances of the case, the Chairperson considers it necessary, the Supervisory Board may in deviation of Policy also take decisions and adopt resolutions without meeting, provided that (1) all Supervisory Board members are given the opportunity to participate in the decision-making process, (2) a majority of the Supervisory Board members is in favour of the proposed resolution and (3) none of the Supervisory Board members has objected, on reasonable grounds, to this manner of decision-making.
Report on resolution adopted outside meeting	The Chairperson and the Company Secretary shall prepare a report on a resolution adopted in this way, which report shall be added to the documents for the next meeting of the Supervisory Board and the Company Secretary shall add the resolution to the minutes' register of the Supervisory Board, together with the documents containing evidence of the resolution.
Approval SB replaced by approval Chairperson and Vice-Chairperson	19.6 If a resolution by the Management Board - other than resolutions requiring approval under the Policys of Association - needs to be approved by the Supervisory Board, and the Chairperson considers that because of the urgent nature, the interests of the Company and its stakeholders and other circumstances of the case, such approval cannot be postponed, the approval of the Chairperson and Vice-Chairperson may replace the approval by the entire Supervisory Board, provided that neither of them has a conflict of interest. In such exceptional situations, all documented information shall be sent to the Chairperson, Vice-Chairperson and the other Supervisory Board members simultaneously.  The Chairperson and the Company Secretary shall prepare a report on a resolution adopted in this way, which shall be added to the documents for the next meeting of the Supervisory Board. Any resolution adopted by the Chairperson and Vice-Chairperson shall be placed on the agenda for the next Supervisory Board meeting for ratification.
	19.7 A resolution adopted by the Supervisory Board may be disclosed outside the Company through a statement from the Chairperson and/or the Company Secretary.

**Policy. Internal Meeting**

Internal Meeting	20.1 In deviation of Policy, a Supervisory Board meeting or a Supervisory Board Committee meeting may be held without the Management Board members or with only the CEO present.
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[Back to top](#)

Reporting on Internal Meeting

20.2 The fact that an Internal Meeting was held, shall be reported in the next Supervisory Board meeting not being an Internal Meeting. The Chairperson shall announce the resolutions passed by the Supervisory Board in an Internal Meeting if it is desirable that the decisions taken shall be brought to the knowledge of the Management Board; these decisions shall then be included in the minutes of the next Supervisory Board meeting.

Minutes of Internal Meeting

20.3 The chairperson of an Internal Meeting shall decide how the proceedings of that meeting will be reported and by whom. If minutes are drawn up of an Internal Meeting, the Chairperson shall decide whether:

- (i) those minutes will remain confidential and therefore will only be shared with the persons who attended that Internal Meeting; or
- (ii) the minutes will be added to the register of minutes of the Supervisory Board, so that their content may be brought to the knowledge of all the Supervisory Board members and the Management Board.

In the latter case, the minutes as adopted shall be distributed among all the Supervisory Board members and the Management Board members.

**Key words**

## **CHAPTER IV OTHER PROVISIONS**

### **Policy. Rules of conduct for Supervisory Board members**

Availability to perform tasks

21.1 A Supervisory Board member shall be sufficiently available and contactable to properly perform his/her tasks in the Supervisory Board and Committees. All Supervisory Board members shall be available to serve in the Supervisory Board Committees. A Supervisory Board member who does not meet this requirement, e.g. by being frequently absent from Supervisory Board meetings and/or Committee meetings shall be called to account for this by the Chairperson.

**WITH REGARD TO DHD.**, Supervisory Board members shall participate in General Meetings, unless they are unable to attend for important reasons.

Code of Conduct

21.2 The Code of Conduct applies to all Supervisory Board members.

Transparency re independence External Auditor

21.3 When brought to his/her attention, a Supervisory Board member shall inform the Chairperson of the Audit Committee of issues that may compromise the required independence of the External Auditor or that may give rise to (potential) conflict of interest between the External Auditor and the Company and/or its Subsidiaries.

Confidentiality of information re business and companies of DHD

21.4 During his/her membership of the Supervisory Board or afterwards, a Supervisory Board member shall not disclose any information of a confidential nature in any way whatsoever to anyone whomsoever regarding the business of the Company and/or any companies in which it holds a stake, that came to the knowledge of the Supervisory Board member in his/her capacity as such and which he/she knows or should know to be of a confidential nature, unless required by law. A Supervisory Board member is allowed to disclose the above information to Management Board members and Supervisory Board members as well as employees of the Company and its Subsidiaries that, in view of their activities for

[Back to top](#)

the Company or the relevant Subsidiary, should be informed of the information concerned. A Supervisory Board member shall not use the information referred to above for his/her personal benefit in any way whatsoever.

Inside information  
– insider trading  
rules applicable

21.5 Any share in the Company held by Supervisory Board members is for the purpose of long-term investment. Supervisory Board members are bound by DHD's regulations on insider information and insider trading, as amended and/or replaced from time to time and posted on the Company's corporate website,<sup>1</sup> and shall comply with all India and foreign laws and regulations applicable to the ownership of and transactions in securities.

Introduction  
programme and  
permanent  
education

21.6 Supervisory Board members shall, upon appointment, follow the introduction programme and participate in the permanent education programme, both referred to in Policy item f of this Charter.

Conflicts of interest  
SB members  
Prevention of  
conflict of interest

21.7 Conflicts of interest

Reporting  
obligation conflict  
of interest also re  
Family Members

- a. Any conflict of interest between the Company or its Subsidiaries and the Supervisory Board members shall be prevented.
- b. A Supervisory Board member shall immediately report any (potential) conflict of interest that is of material significance to the Company and/or to him/her to the Chairperson and the Company Secretary, and shall provide all relevant information, including information concerning his/her Family Member with a (potential) conflict of interest. The Chairperson shall report any (potential) conflict of interest applicable to him/her to the Vice-Chairperson and the Company Secretary.

The Supervisory Board shall assess whether a conflict of interest exists, without the Supervisory Board member concerned being present.

Definition Conflict  
of Interest

- c. A conflict of interest may exist if a Supervisory Board member is considered not to be in a position to safeguard the interests of the Company or any of its Subsidiaries in such a way as may be expected from an honest and unbiased Supervisory Board member, due to the presence of other irreconcilable interests.

This will be the case in any event if the Company or any of its Subsidiaries intends to enter into a transaction with another legal person or legal entity, not being a Subsidiary:

- (i) in which a Supervisory Board member personally has a material financial interest;
- (ii) in which a Family Member is a management board member;
- (iii) in which a Supervisory Board member has an executive or supervisory position.

Non-competition  
and integrity

A Supervisory Board member shall refrain from:

- (i) entering into competition with the Company and/or its Subsidiaries;
- (ii) demanding or accepting (substantial) gifts from the Company and/or its Subsidiaries for him/her or a Family Member;

<sup>1</sup> Generic Insider Regulation India Policy and Insider Regulation DHD Policy.



- Decision-making on dealing with conflict of interest
- (iii) providing unjustified advantages to third parties at the Company's and/or its Subsidiaries' expense; or
  - (iv) taking advantage of business opportunities to which the Company and/or its Subsidiaries are entitled for himself/herself or for a Family Member.
- d. The Supervisory Board is responsible for deciding how to deal with (potential) conflicts of interest of Supervisory Board members with the Company or its Subsidiaries. Supervisory Board members with a (potential) conflict of interest shall not be admitted to a Supervisory Board meeting:
- (i) during the assessment of the conflict of interest; and
  - (ii) during the discussion and decision-making with respect to the matter or transaction to which the conflicting interest relates.

- Conflict of Interest transaction at arm's-length
- e. All transactions in which there are conflicts of interest with Supervisory Board members shall be agreed on terms that are customary for arm's-length transactions in the branch of business in which the Company or the relevant Subsidiary operates. Decisions about entering into transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or to the relevant Supervisory Board members require the approval of the Supervisory Board.

Banking and insurance products provided to SB members

21.8 The Company and its Subsidiaries shall provide banking and insurance products to Supervisory Board members only with due observance of the applicable Company policies<sup>2</sup> provided that loans, guarantees and the like are subject to the approval of the Supervisory Board, which has delegated its approval authority to its Chairperson and the Vice-Chairperson. Supervisory Board approval is not required for banking and insurance products in which the granting of credit is of a secondary nature, e.g. credit cards and overdrafts in current accounts.

The Company and its Subsidiaries shall provide banking and insurance products to the Management Board members only with due observance of the applicable Company policies<sup>3</sup> provided that loans, guarantees and the like are subject to the approval of the Supervisory Board, which has delegated its approval authority to its Chairperson.

- Outside positions
- 21.9 A Supervisory Board member may not accept, hold or retain:
- the position of supervisory board member of four or more legal entities, including the Company;
  - if he/she is an executive director of no more than one other legal entity:
    - (i) the position of supervisory board member of more than two legal entities, including the Company, unless authorised; and
    - (ii) the position of executive director of a second legal entity;

In connection with the above:

- a. "supervisory board member" shall include the position of non-executive director or the position of member of any supervisory body established under the Policies of incorporation of a legal entity;

<sup>2</sup> Minimum Standards on Staff Discounts for Board Members of Regulated Entities in the ROC and Minimum Standards on Staff Discounts for Board Members of Regulated Entities outside the India.

<sup>3</sup> See footnote 2.

- b. positions: (i) within the same group; (ii) held within institutions which are members of the same institutional protection scheme; (iii) held within entities in which the institution holds a qualifying holding shall count as one position; and
- c. positions with legal entities which do not pursue predominantly commercial objectives, shall not be taken into account.

Limitation of outside positions

21.10 A Supervisory Board member shall limit his/her positions as an employee, an executive director or a supervisory board member with other companies and legal entities to the extent necessary to ensure proper performance of his/her duties as a Supervisory Board member.

Reporting of outside positions

21.11 Supervisory Board members must report any outside positions they may have to the Supervisory Board, or the Chairperson, if mandated by the Supervisory Board, and the Company Secretary, before accepting such outside positions. If there is a risk of a conflict of interest, the matter shall be discussed by the Supervisory Board and, if so desired by the Chairperson or the Supervisory Board, by the Nomination and Corporate Governance Committee, all in a manner consistent with Polycys items a and c of this Charter. The Company Secretary will maintain a list of the outside positions of each Supervisory Board member.

#### **Policy. Governing law and jurisdiction**

Governing law and forum clause

This Charter shall be governed by the laws of the Indias. The courts of the Indias shall have exclusive jurisdiction to settle any dispute arising from or in connection with this Charter, including any dispute regarding the existence, validity or termination of these rules.

#### **Policy. Annexes**

The following annexes belong to this Charter and are considered to form an integral part of it:

Annex 1: List of definitions

Annex 2: Charter of the Risk Committee

Annex 3: Charter of the Audit Committee

Annex 4: Charter of the Nomination and Corporate Governance Committee

Annex 5: Charter of the Remuneration Committee

Annex 6: Management Board resolutions which require approval of the Supervisory Board



## **Annex 1 to the Supervisory Board Charter: Definitions**

1. In the Charter of the Supervisory Board and its Annexes 1-6, the following terms have the following meanings, unless stated otherwise:

Annual Accounts means the annual accounts of the Company referred to in Section of India Civil Code.

Annual Financial Report means the annual financial report of the Company as referred to in Section of the India Financial Supervision Act ("Wet op het financieel toezicht").

Annual Supervisory Board Report means the annual report of the Supervisory Board, which is to be added to the Annual Financial Report.

Policies of Association means, depending of the context, the Policies of association of DHD.

Audit Committee means the Audit Committee of the Supervisory Board referred to as such in Policy 4 of the Supervisory Board Charter.

CAS means the Corporate Audit Services department of the Company.

Central Works Council means the Central Works Council of AP Group.

CEO means the chairperson of the Management Board also acting as the Chief Executive Officer of the Company.

CFO means the Management Board member appointed as Chief Financial Officer of the Company.

Chairperson means the chairperson of the Supervisory Board.

Charter means the Charter of the Management Board, the Charter of the Supervisory Board or the Charter of a Supervisory Board Committee, depending on the context, including the annexes belonging thereto.

Chief Compliance Officer means the head of the compliance function of the Company.

Code of Conduct means the Orange Code as further detailed in the AP Group | DHD Global Code of Conduct.

Committee, with respect to the Management Board, means any committee of the Management Board, and with respect to the Supervisory Board, means any committee of the Supervisory Board.

Companies means DHD.

Company means, depending on the context, anyone of them.

Company Secretary means the company secretary referred to in Policy of the Supervisory Board Charter.

Corporate Governance Code means the India corporate governance code as adopted by the corporate governance monitoring committee and as amended from time to time.

Covenant means the Covenant between the Companies and the India Central Works Council which was signed on 17 December 2013 as amended from time to time and any other arrangement to be agreed with the Central Works Council to replace or amend such covenant or otherwise agreed with the Central Works Council.

CRO means the Management Board member appointed as Chief Risk Officer of the Company.

Executive Board means the executive board of DHD.

Executive Board Profile means, with respect to the Executive Board, the profile for the size and composition of the Executive Board.

External Auditor means the auditor of the Company referred to in Section of the India Civil Code.

Family Member means a spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

Financial Expert means a financial expert who

(i) has knowledge of financial reporting;

(ii) has the ability to assess estimates, accruals and reserves in financial statements;

(iii) has experience in preparing, auditing, analysing and evaluating financial statements that have the same breadth and level of complexity as those that can be expected from the Companies and its Subsidiaries;

(iv) understands internal accounting controls; and

(v) understands audit committee functions,

as further defined in the Audit Committee Charter.

Form means the form used to disclose the Company's communications and material information that is made public in its home country, filed with and made public with its country's stock exchange on which its securities are traded, or distributed to security holders, to the Securities and Exchange Board of India.

Form means the form used to disclose the Company's annual financial statement to the Securities and Exchange Board of India.

General Counsel means the head of the legal function of the Company.

General Manager CAS means the head of CAS.

General Meeting means the General Meeting of the Company.

Group Company has the meaning attributed to it in Section of the India Civil Code.

Identified Staff means the group of the Company's staff whose professional activities have a material impact on the Company's risk profile in accordance and selected as described in the DHD Remuneration Regulations Framework.

Independent means independent within the meaning of best practice the India Corporate Governance Code meaning that a Supervisory Board member is not independent if they or their Family Member:

- i. has been an employee or member of the management board of the company (including associated companies as referred to in Section of the Financial Supervision Act) in the five years prior to the appointment;
- ii. receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory board member and in so far as this is not in keeping with the normal course of business;
- iii. 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 supervisory board member, or the firm of which he/she 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 supervisory board member is a management board member or an employee of a DHD with which the company has a lasting and significant relationship;
- iv. is a member of the management board of a company in which a member of the Management Board of the company which supervises is a supervisory board member;
- v. has temporarily managed the Company during the previous twelve months during the previous twelve months due to vacant seats on the Management Board, or because Management Board members were unable to perform their duties;
- vi. 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;
- vii. 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

ING Remuneration Regulations Framework means the principles and provisions as set out in this remuneration regulations framework of the Company and its Group Companies and which apply to all staff. All staff refers to all persons that work under the responsibility of the Company and its Group Companies. This includes employees, contractors, self-employed staff and temporary workers.

Internal Meeting with respect to a meeting of the Supervisory Board or a Supervisory Board Committee means a meeting of the Supervisory Board or of such Committee without the members of the Executive Board being present or with only the CEO being present.

Key Function Holders means the Chief Compliance Officer and the General Manager CAS.

Key Policies means the key policies of the Company determined by the Executive Board from time to time.

Management Board means the executive boards of AP Group I DHD.

Management Board means the executive board of AP Group I DHD.

Material Transactions means material transactions as defined in Policy.

Nomination and Corporate Governance Committee means the Nomination and Corporate Governance Committee of the Supervisory Board referred to in Policy of the Supervisory Board Charter.

Periodic Financial Reports refers to the Annual Financial Report, (**WITH REGARD TO DHD.**, the annual report on Form ), the Semi-annual Financial Report, any quarterly accounts or other material financial information on the first and third quarter of any financial year and **WITH REGARD TO DHD** ., the interim financial statements or interim financial information on Form .

Remuneration Committee means the Remuneration Committee of the Supervisory Board referred to in Policy of the Supervisory Board Charter.

Risk Committee means the Risk Committee of the Supervisory Board referred to in Policy of the Supervisory Board Charter.

Semi-Annual Financial Report means the semi-annual financial report as referred to in Section of the Financial Act.

Senior Management means those employees of the Company or a Subsidiary who have a direct reporting line to the Management Board and qualify as Identified Staff.

Shareholders means the holders of shares issued by DHD as well as the holders of securities reflecting the economic interest in such shares, provided that these are issued with the co-operation of DHD.

Strategic Plan means the decisions with strategic impact taken by the Management Board in writing, either as part of the AP Group I DHD Dynamic Plan or as a separate document, of the operational and financial aims of the Company, the strategy designed to achieve the aims, and the parameters to be applied in relation to the strategy, including the corporate social responsibility issues which are relevant to the Company.

Subsidiary means a subsidiary of the Company within the meaning of Section of the India Civil Code.

Supervisory Board means the supervisory boards of the Companies.

Supervisory Board Profile means, with respect to the Supervisory Board, the profile for the size and composition of the Supervisory Board.

Suitability Policy Framework means the policy framework in which principles for the internal assessment of the suitability of the (members of the) management bodies (as defined in the Suitability Policy Framework) which definition includes the (members of) the Management Board and Supervisory Board and the Key Function Holders, are set. This policy framework also covers selection & succession planning and introduction & training for the (members of the) management bodies.

Vice-Chairperson means the vice-chairperson of the Supervisory Board.

Written or in writing means by letter, by telecopy, by e-mail, or by message which is transmitted via any other current means of communication and which can be received in written form.

2. Except where the context dictates otherwise, in the Charter:

- a. any reference to a member or membership of the Management Board, the Supervisory Board or of any Committee, is to include the chairperson and vice-chairperson of that board or committee;
- b. any reference to any specific officer is to include his/her substitute or deputy, or in case of a chairperson, the vice-chairperson;
- c. words and expressions expressed in the singular form also include the plural form, and vice versa;
- d. words and expressions expressed in the masculine form also include the feminine form; and
- e. a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.

3. Headings of Policys and other headings in the Charter are inserted for ease of reference and do not form part of the Charter concerned for the purpose of interpretation.

## Annex 2 to the Supervisory Board Charter: Charter of the Risk Committee of AP Group I DHD.

### Key words

### RISK COMMITTEE CHARTER

#### Policy . Responsibilities of the Risk Committee

#### Task description RiCo

1.1 The Risk Committee shall assist the Supervisory Board with the performance of its duties in relation to overseeing (i) the setting and monitoring of the Company's risk appetite and risk strategy for all types of risk including but not limited to financial and non-financial risk, (ii) the effectiveness of the internal risk management and control systems and (iii) other related risk management topics. The Risk Committee shall prepare the discussions within and decisions of the Supervisory Board on such matters.

#### Advise re risk appetite and risk strategy

1.2 Timely before the relevant Supervisory Board meeting is to be held, the Risk Committee shall:

a. advise and assist the Supervisory Board regarding supervising overall actual and future risk appetite and risk strategy (including the risk management frameworks and the methodologies used in establishing the risk appetite of the Company and its Group Companies), taking into account all types of risks, to ensure that they are in line with the business strategy, objectives, corporate culture and values of the Company; with respect to the risk appetite at least annually and upon any material change;

#### Oversee risk strategies against risk appetite

b. oversee the strategies for all types of risk both financial and non-financial including but not limited to capital and liquidity management, market, credit, compliance, operational (such as legal and IT), conduct and reputational risks, in order to assess their adequacy against the approved risk appetite and strategy;

#### Oversee implement. risk strategy

c. assist the Supervisory Board in overseeing the implementation of the risk strategy and the corresponding limits set;

#### Collaborate with AC

d. collaborate with and take into account the findings of the Audit Committee and any material recommendations from CAS or the External Auditor with respect to the foregoing under Policy ;

#### Advise on adjustments to risk strategy

e. make recommendations to the Supervisory Board on necessary adjustments to the risk strategy and risk appetite resulting from changes in the business model of the Company and legal, regulatory and market developments (taking into account the social, macroeconomic and financial environment and the status of the business cycle), or recommendations made by the risk management function;

#### Assess effectiveness of design risk management and control systems

f. assess and make recommendations to the Supervisory Board regarding the effectiveness of the design, implementation, operation and maintenance of the internal risk management and control systems (which also includes the resourcing of the risk management function) at least annually but in any event upon a material change thereof;

#### Oversee alignment business with risk strategy

g. oversee the alignment between the Company's material financial products, financial services, liabilities and assets offered to clients and the business model and risk strategy;

#### Assess associated risks

h. assess the risks associated with the Company's offered financial products, financial services, liabilities and assets, taking into account the alignment

[Back to top](#)

- between the prices assigned to and the profits gained from those products, services, liabilities and assets;
- Assess remedy plan i. **WITH REGARD TO AP Group I DHD.**, assess the remedy plan of the Management Board in case prices do not properly reflect risks in accordance with the business model and risk strategy;
- Review stressed scenarios j. review a number of possible scenarios, including stressed scenarios, to assess how the institution’s risk profile would react to external and internal events;
- Establishment of sound remuneration policies k. assess, without prejudice to the tasks of the Remuneration Committee and in close collaboration with the Remuneration Committee:
- (i) the remuneration policies, which include among others the remuneration policies for the Supervisory Board and Management Board and the AP Group I DHD Remuneration Regulations Framework, so that they are consistent with and promote sound and effective risk management, at least annually; and
  - (ii) key remuneration processes and operational decisions on an ad hoc basis, including assessing whether incentives provided by the remuneration policies and procedures (i) take into consideration risk, capital, liquidity and the likelihood and timing of earnings and (ii) are aligned with business strategy, objectives, corporate culture and values and the long-term interests of the Company and its Subsidiaries.
- Methods internal risk management; risks EB report l. **WITH REGARD TO DHD .**, (i) discuss the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems with the Management Board and (ii) assess material risks and uncertainties included in the Executive Board report;
- Assess financing of Company m. assess and recommend any actions to be taken by the Supervisory Board regarding the financing of the Company and its Subsidiaries from a risk and risk management point of view;
- Company’s public disclosure on risk n. assess and recommend any actions to be taken by the Supervisory Board regarding the Company’s public disclosures on risk and risk management;
- Appointment external advisors o. advise the Supervisory Board regarding the appointment of external consultants that the Supervisory Board may decide to engage for advice or support; and
- Other tasks p. assess and recommend any actions to be taken by the Supervisory Board regarding any other related tasks as the Supervisory Board may assign to the Risk Committee on an ad-hoc basis.

Advise on risk related Risk Policies 1.3 The Risk Committee shall advise the Supervisory Board with respect to Key Policies of the Company and its Group Companies regarding compliance with applicable law, regulations and recognized industry codes and standards related to risk and risk management, with the exception of those applicable to among others financial reporting and the financial reporting process.

Resources RiCo 1.4 In the performance of its tasks, the Risk Committee is authorised to gather information or seek advice from the Management Board, the Company’s staff departments and/or external advisors;

The Risk Committee shall receive regular reports, ad hoc information, communications and opinions from the heads of internal control functions concerning the current risk profile of the Company, its risk culture and its risk limits, as well as on any material breaches that may have occurred, with detailed information on and recommendations for corrective measures taken, to be taken or suggested to address them;

The Risk Committee shall periodically review and decide on the content, format and frequency of the information on risk to be reported to them.

Review of Charter 1.5 The Risk Committee shall annually review and assess the adequacy of this Charter and the content, format and frequency of the information on risk to be reported to them.

**Policy. Reporting responsibilities**

Minutes of meeting 2.1 Minutes of meetings of the Risk Committee shall be sent to the members of the Risk Committee, as well as – unless this is undesired for privacy reasons – to the Supervisory Board and the Management Board. The chairperson of the Risk Committee shall report orally on its most recent findings in the next meeting of the Supervisory Board.

Communication of findings RiCo - AC 2.2 The chairperson of the Risk Committee shall communicate the Committee’s findings with respect to the internal risk management and control systems (Policy item f of this Charter) to the Audit Committee.

Communication of findings RiCo - SB 2.3 The Risk Committee reports to the Supervisory Board its most important findings with respect Policy item l of this Charter.

Secretary 2.4 The Company shall make a secretary available to the Risk Committee, who, among other things, will take minutes of the meetings.

**Policy. Meetings**

Meetings RiCo at least 4 times a year 3.1 The Risk Committee shall meet as often as it determines, but at least four times a year. Meetings can also take place when the chairperson of the Risk Committee deems it necessary or upon request of the Supervisory Board or the CEO. No resolutions may be passed if the majority of the Risk Committee members then in office, other than those who have a conflict of interest, is not present or represented.

Attendance of MB/SB members and other officers 3.2 To the extent that the Risk Committee does not determine otherwise, the following other Supervisory Board members, Management Board members and officers of the Company will attend the meetings of the Risk Committee:

- the chairperson of the Audit Committee, if not being the chairperson or a member of the Risk Committee;
- a member of the Remuneration Committee;
- the CEO, the CFO, the CRO;
- **With regard to DHD.** the COO/CTO, the business leaders of MarketLeaders, Challenger & Growth Countries and Wholesale industry who can



contribute to discussion on topics, as determined by the chairperson of the Risk Committee;

- the Chief Compliance Officer;
- the General Manager CAS and External Auditor;
- the head of Non Financial Risk;
- the General Counsel; and
- the head of Risk & Capital Integration.

The Risk Committee may invite other members of the Supervisory Board, and any other staff member who can contribute to the discussion.

Direct access CCO to RiCo, bilateral consultation

3.3 The Chief Compliance Officer shall have direct access to the Risk Committee and the chairperson of the Risk Committee shall have periodic bilateral consultation with the Chief Compliance Officer.

### **Policy . Composition**

Composition RiCo

4.1 The composition of the Risk Committee shall be in such a way so as to make sure that relevant business know-how and adequate understanding of risk management related issues and control management, relating to the activities of the Company and its Group Companies is available and shall otherwise be in accordance with the requirements for the composition of Committees (Policy of the Supervisory Board Charter).

At least 3 members, independency requirements

4.2 The Risk Committee shall be comprised of at least three members, of which no more than one member may be not Independent; such a member however, may not be appointed chairperson. The chairperson of the Risk Committee cannot be the chairperson of the Supervisory Board or any of its other committees.

## **Annex 3 to the Supervisory Board Charter: Charter of the Audit Committee of AP Group I DHD.**

**Key words**

**AUDIT COMMITTEE CHARTER**

**Policy. Responsibilities of the Audit Committee**

Task description AC

1.1 The Audit Committee shall assist the Supervisory Board with the performance of its duties in relation to the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems and shall prepare the discussions within and the decisions of the Supervisory Board on such matters.

Role AC re  
Periodic Financial  
Reports

1.2 The Audit Committee shall review and assess the Periodic Financial Reports and related press releases to be disclosed, as well as the underlying accounting and presentation policies and practices and any proposed changes therein. The Audit Committee shall report its deliberations and findings and recommend any action to be taken to the Supervisory Board; as far as the Periodic Financial Reports are concerned: prior to their release by the Company, unless decided otherwise by the Supervisory Board. In performing these tasks, the Audit Committee shall devote special attention to:

- a. the applicable accounting standards and the Company's compliance therewith;
- b. the administrative organisation, financial reporting process and internal controls related to the financial reporting of the Company and its Group Companies, including the applications of information and communication technology;
- c. the methods used to:
  - (i) assess the topic referred to in Policy of this Charter,
  - (ii) assess the effectiveness of internal and external audit processes, and
  - (iii) analyse and discuss the material risks and uncertainties as referred to in the Management Board report and the material risks, uncertainties and considerations insofar relevant for the financial reporting of the Company and its Group Companies and the underlying continuity assumption;
- d. significant judgmental areas;
- e. the valuation of trading book positions and the overall use of external credit ratings;
- f. significant financial risk exposures;
- g. significant adjustments resulting from audit;
- h. the financing of the Company and its direct Subsidiaries;
- i. compliance with statutory and legal requirements and regulations, in particular in the financial domain;
- j. legal and tax related matters with a material impact on the financial statements; and
- k. detection of misconduct or irregularity, such as fraud, defalcation and other illegal acts.

[Back to top](#)

Role AC in relation to internal risk management and control systems

1.3 The Audit Committee shall assess, recommend and monitor any actions to be taken by the Supervisory Board regarding the design, operation, integrity, quality, consistent implementation and effectiveness of the internal risk management and control systems of the Company and its Group Companies insofar related to their financial reporting and financial reporting process, including compliance with relevant legislation and regulation and the operation of the Code of Conduct. The Audit Committee shall take into account the findings of the Risk Committee with respect to the foregoing and shall inform the Risk Committee of any material risks related to the financial reporting or the financial reporting process and any material recommendations from CAS or the External Auditor that are relevant for the Risk Committee.

1.4 The Audit Committee shall assess, recommend and monitor any actions to be taken by the Supervisory Board regarding any significant report or other communication raising material issues with respect to any of the matters mentioned in Policy of this Charter, and the response to such report or communication, to or from regulators or governmental agencies, the Management Board or one of its members, CAS or the External Auditor.

Role preparation decision-making SB re External Auditor

1.5 The Audit Committee shall prepare the decisions or other actions of the Supervisory Board, and shall make recommendations thereto to the Supervisory Board, with respect to the appointment, reappointment, performance, functioning, dismissal, remuneration and selection of the External Auditor as well as the terms of engagement to audit the financial statements, for all of which the Executive Board has a facilitating and advising role. In performing these tasks, the Audit Committee shall devote special attention to the scope of the audit, the materiality to be used and remuneration for the audit and the independence of the External Auditor.

Role preparation decision-making SB re External Auditor

Furthermore, the Audit Committee:

- a. shall be the principal contact for the External Auditor in reporting its findings regarding the Periodic Financial Reports; contact between the Supervisory Board and the External Auditor shall in principle be through the chairperson of the Audit Committee;
- b. approves the changes to the Company's policy on External Auditor independence;
- c. pre-approves the services (audit and non-audit) to be provided by the External Auditor to the Company and its Subsidiaries in accordance with the Company's policy on External Auditor independence;
- d. annually evaluates the independence and functioning of, and the developments in the relationship with the External Auditor and informs the Supervisory Board of its findings and proposed measures; in doing so, the Audit Committee shall give due consideration to the Management Board's observations and shall take into account the periodic report from the External Auditor as well as the annual reports on the dealings of the Management Board and the Audit Committee with the External Auditor and shall submit these reports to the Supervisory Board; after the assessment and discussions with the Supervisory Board, the Chairperson of the Audit Committee provides feedback to the External Auditor;

[Back to top](#)

- e. at least once every four years evaluates the performance of the External Auditor and the scope of the audit(s) to be performed and makes recommendations to the Supervisory Board regarding the nomination of the External Auditors, their remuneration and, if necessary, their dismissal; in doing so, the Audit Committee shall have regard to the advice of the Management Board and to the reports referred to under d;
- f. annually discusses with the External Auditor the scope and materiality of the audit plan, the principal risks identified in the audit plan, and the findings and outcomes of the audit work on the financial statements as reported by the External Auditor;
- g. determines whether and, if so, how the External Auditor should be involved in the content and publication of financial reports other than the financial statements; and
- h. ensures the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the audit partner responsible for reviewing the audit and any other partner if applicable, as required by law or other applicable rules.

Periodical evaluation functioning CAS and powers AC in that regard

1.6 The Audit Committee shall periodically evaluate the functioning of CAS, including the availability of sufficient authority, stature and resources to perform the function, prepare the decisions or other actions of the Supervisory Board with respect to the functioning and performance of CAS. In connection herewith, the Audit Committee:

- a. may make recommendations for the approval of the (changes to the) Internal Audit Charter of CAS which includes the code of ethics of the Institute of Internal Auditors;
- b. may make recommendations for (i) the approval of the CAS audit plan, with attention to among others the interaction with the External Auditor, (ii) the sufficiency of the resources and skills to execute the plan and the scope and budget of CAS as approved by the Management Board, and monitors progress versus planned audit activities;
- c. **WITH REGARD TO DHD.**, annually reviews the results of the self-administered quality review of CAS and may make recommendations with respect thereto to the Executive Board;
- d. may make recommendations regarding the appointment or dismissal and remuneration of the General Manager CAS; and
- e. may make recommendations for the approval of the assessment of the performance of the General Manager CAS by the CEO and provides input for this assessment.

Role AC – input External Auditor or CAS

1.7 The Audit Committee shall monitor, assess and recommend any action to be taken by the Supervisory Board regarding the Company's compliance with recommendations and observations of the External Auditor or CAS, insofar accepted by the Management Board.

Obligation to ensure complaints procedure

1.8 On behalf of the Supervisory Board, the Audit Committee shall see to it that the Company establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal

[Back to top](#)

accounting controls or auditing matters, and the confidential submission by employees of concerns regarding questionable accounting or auditing matters.

AC advisory task to SB

1.9 The Audit Committee advises the Supervisory Board with respect to policies and procedures of the Company and its Group Companies regarding compliance with laws and regulations applicable to financial reporting and the financial reporting process.

Access CAS to AC

1.10 CAS shall have direct access to the Audit Committee, meaning that the General Manager CAS shall have free access to the chairperson of the Audit Committee and the chairperson of the Audit Committee shall have periodic bilateral consultation with the General Manager CAS.

Access External Auditor to AC

1.11 The Audit Committee is the first contact for the External Auditor if any irregularities in the contents of the financial reports are discovered. The chairperson of the Audit Committee shall act as the first point of contact for the External Auditor.

Additional discretionary powers

1.12 In the performance of its tasks, the Audit Committee may in its sole discretion:

- a. gather information or seek advice from the Management Board, the Company's staff departments and/or external advisors;
- b. meet in an Internal Meeting with the External Auditor and the General Manager CAS as often as it determines, but at least annually;
- c. carry out any investigation which it determines to be necessary or desirable to carry out its duties and may inspect or cause to be inspected any books and records (whether in written or electronic form) of the Company;
- d. appoint independent counsel and other advisors, as it determines necessary to carry out its duties.

Any and all expenses reasonably incurred by the Audit Committee, by any outside counsel or other advisors appointed by the Audit Committee and any and all costs and expenses in connection with any investigation conducted by the Audit Committee shall be borne by the Company.

Annually review AC Charter

1.13 The Audit Committee shall annually review and assess the adequacy of this Charter and the content, format and frequency of the information on information to be reported to them.

### **Policy. Reporting responsibilities**

Minutes of meeting

2.1 Minutes of meetings of the Audit Committee shall be sent to the members of the Audit Committee, as well as – unless this is undesired for privacy reasons – to the Supervisory Board and the Management Board. The chairperson of the Audit Committee shall report orally on its most recent findings in the next meeting of the Supervisory Board.

Communication of findings AC - RiCo

2.2 The chairperson of the Audit Committee shall communicate the Committee's findings with respect to the internal risk management and control systems and implementation of the CAS audit plan to the Risk Committee.

Communication of findings to SB 2.3 The Audit Committee reports to the Supervisory Board the most important findings of the Audit Committee, including conversations of the Audit Committee with CAS and the External Auditor on the findings with respect to Policy item c of this Charter.

Secretary 2.4 The Company shall make a secretary available to the Audit Committee, who, among other things, will take minutes of the meetings.

### **Policy . Meetings**

Meetings AC at least quarterly 3.1 The Audit Committee shall meet as often as it determines, but at least quarterly before the publication of any Periodic Financial Report. It shall meet at least once a year in an Internal Meeting with the External Auditor. Meetings can also take place when the chairperson of the Audit Committee deems it necessary or upon request of the Supervisory Board or the CEO. No resolutions may be passed if the majority of the Audit Committee members then in office, other than those who have a conflict of interest, is not present or represented.

Attendance of MB/SB members and other officers 3.2 To the extent that the Audit Committee does not determine otherwise, the following other Supervisory Board members, Management Board members, and officers of the Company will attend the meetings of the Audit Committee:

- the chairperson of the Risk Committee, if not being the chairperson or a member of the Audit Committee;
- the CEO, the CFO, the CRO;
- the General Manager CAS and External Auditor;
- the general manager(s) responsible for risk control and financial accounting; and
- the General Counsel.

The Audit Committee shall in any event invite:

- the External Auditor to attend its meetings and recommends for attendance at the Supervisory Board meeting for specific topics;
- the General Manager CAS to attend its meetings at which CAS reports with respect to the effectiveness of the internal risk management and control systems are discussed.

The Audit Committee may invite other members of the Supervisory Board, and any other staff member who can contribute to the discussion.

### **Policy. Composition**

Composition AC 4.1 The composition of the Audit Committee shall be in such a way so as to make sure that specific business know-how, financial accounting and related financial management expertise relating to the activities of the Company and its Group Companies and, if possible legal and Information Technology knowledge, is available, and shall otherwise be in accordance with the requirements for the composition of Committees.

At least 3 members, independency requirements 4.2 The Audit Committee is to be comprised, in accordance with applicable laws and regulations, of at least three members who shall be independent within the meaning of Policy of this Charter. At least one member of the

Audit Committee shall be a “financial expert” within the meaning of Policy of this Charter. No more than one member shall be a former member of the Management Board; a waiting period of three years following the retirement as an Executive Board member shall be observed before being appointed to the Audit Committee. The chairperson of the Audit Committee cannot be the Chairperson or a former member of the Executive Board.

Additional  
independency  
requirement

4.3 In addition to the definition of ‘Independent’ as included in Annex 1 of the Supervisory Board Charter, an Audit Committee member is deemed to be independent only if he/she (other than in his/her capacity as a member of the Audit Committee, the Supervisory Board or any other Committee), does not:

- a. accept any consulting, advisory or other compensatory fee (other than a fee for services rendered as a Supervisory Board member) from the Company or any of its Subsidiaries, either directly or indirectly, such as through a spouse, a partner, a relative up to second degree or an entity in which he/she is a partner, member or principal;
- b. hold, and has not held within the past three years, the position of partner, executive officer, managing director or similar in an entity that provides accounting, consulting, legal or financial services to the Company and its Subsidiaries; and
- c. qualify as “an affiliated person” of the Company or any of its Subsidiaries, i.e. a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with the Company or any of its Subsidiaries.

Financial expert

4.4 To be able to qualify a person as a financial expert, the Supervisory Board must determine that such person has such level of accounting and related financial management expertise that he/she has the following five attributes:

- (i) an understanding of the generally accepted accounting principles which are to be applied by the Company and of financial statements;
- (ii) the ability to assess the general application of the generally accepted accounting principles which are to be applied by the Company, in connection with the accounting for estimates, accruals and reserves;
- (iii) experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities;
- (iv) an understanding of internal controls and procedures for financial reporting; and
- (v) an understanding of audit committee functions.

A person can acquire the above attributes through any one or more of the following means:

- a. education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

[Back to top](#)

- b. experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- c. experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; and/or
- d. other relevant experience.



## Annex 4 to the Supervisory Board Charter: Charter of the Nomination and Corporate Governance Committee of AP Group I DHD .

<b>Key words</b>	<p><b>NCG COMMITTEE CHARTER</b></p> <p><b>Policy. Responsibilities of the Nomination and Corporate Governance Committee</b></p>
Task description NCGcom	<p>1.1 The Nomination and Corporate Governance Committee shall assist the Supervisory Board with the performance of its duties in relation to selection, nomination, talent management and the effectiveness of the Company's governance arrangements and shall prepare the discussions within and decisions of the Supervisory Board on such matters.</p>
Recommendations re	<p>1.2 The Nomination and Corporate Governance Committee shall, among others in accordance with the Suitability Policy Framework, assist and make recommendations to the Supervisory Board regarding:</p>
Selection criteria and appointment procedures MB and SB	<p>a. the selection criteria, assessment and appointment procedures for Supervisory Board members and Management Board members; and</p>
Assessment MB and SB members	<p>b. the supervision of comparable criteria and procedures for Senior Management, as set by the Management Board, <u>periodically</u>;</p> <p>c. the assessment prior to and nomination for (re)appointment of Management Board members and Supervisory Board members, consistent with criteria established in the applicable Board Profile and any succession plan;</p>
Profile MB members	<p>d. the individual profile for the appointment of new Management Board members, including preparing this profile;</p>
Profile SB members	<p>e. the individual profile for the appointment of new Supervisory Board members and the profile for the appointment of a new Chairperson, including preparing these profiles</p>
Appointment MB and SB members	<p>f. the appointment of Management Board members and Supervisory Board (Committee) members; and</p>
Succession planning MB members	<p>g. the succession planning for the Management Board (members) (including in a crisis scenario) and management development principles.</p>
Dismissal and retirement MB members	<p>1.3 The Nomination and Corporate Governance Committee shall:</p> <p>a. assist and make recommendations to the Supervisory Board regarding the dismissal and retirement of Management Board members, including early retirement;</p>
Assessment of succession plans for key positions and MB and SB profile	<p>b. <u>at least annually</u> assess and recommend any actions to be taken by the Supervisory Board regarding:</p> <p>(i) the leadership-development status, succession plans for key positions on the Management Board and the Supervisory Board, the Chief Compliance Officer and the General Manager CAS, among others in accordance with the Suitability Policy Framework, as well as general talent readiness of the organisation; and</p> <p>(ii) the Executive Board Profile, the Supervisory Board Profile, including the targets for gender diversity mentioned therein and, insofar</p>

[Back to top](#)

applicable, the policies to meet those targets, as well as the Supervisory Board retirement schedule.

Assessment of Composition SB and MB	1.4 The Nomination and Corporate Governance Committee shall:
Functioning MB and SB and their members	<ul style="list-style-type: none"> <li>a. ensure that the Supervisory Board <u>at least annually</u> assesses the structure, size, composition and performance of the Management Board and the Supervisory Board. The Nomination and Corporate Governance Committee may recommend any changes thereto to the Supervisory Board;</li> <li>b. assess the functioning of the Management Board, the performance of individual Management Board members, the functioning of the Supervisory Board and the performance of individual Supervisory Board members, and report on this to the Supervisory Board, <u>at least annually</u>;</li> </ul>
No domination of the MB's and SB's decision-making	1.5 In performing its duties included in Polycys of this Charter, the Nomination and Corporate Governance Committee shall, to the extent possible and on an ongoing basis, take account of the need to ensure that the Supervisory Board's and Management Board's decision making is not dominated by anyone individual or small group of individuals in a manner that is detrimental to the interests of the Company as a whole.
Recommendations re	1.6 The Nomination and Corporate Governance Committee shall assist and make recommendations to the Supervisory Board regarding corporate governance guidelines and best practices, especially to:
Transparent corporate governance	<ul style="list-style-type: none"> <li>a. ensure that the corporate governance of the Company as a whole and the policy on which it is based is fully transparent and described in the Annual Financial Report;</li> </ul>
Annual evaluation Corp governance	<ul style="list-style-type: none"> <li>b. perform an <u>annual</u> evaluation of the corporate governance of the Company as a whole;</li> </ul>
Improvement proposal	<ul style="list-style-type: none"> <li>c. make proposals to the Supervisory Board and to the General Meeting for improvements in respect of the foregoing issues;</li> </ul>
Clear organisational structure	<ul style="list-style-type: none"> <li>d. ensure that the organisational structure of the Company is clear, implemented consistently and described in the Annual Report; and</li> </ul>
Changes to MB, SB and Committee Charters	<ul style="list-style-type: none"> <li>e. advise the Supervisory Board on any proposed changes to the Supervisory Board Charter, the Supervisory Board Committee Charters and the Management Board Charter.</li> </ul>
Resources NCGcom	1.7 In the performance of its tasks, the Nomination and Corporate Governance Committee will have adequate financial resources and access to whatever additional advice or support it requires in the discharge of its duties and is authorised to gather information or seek advice from the Management Board, the Company's staff departments and/or external advisors.
Review of Charter	1.8 The Nomination and Corporate Governance Committee shall <u>annually</u> review and assess the adequacy of this Charter and the content, format and frequency of the information to be reported to them.
<b>Policy. Reporting responsibilities</b>	
Minutes of meeting	2.1 Minutes of meetings of the Nomination and Corporate Governance Committee shall be sent to the members of the Nomination and Corporate Governance Committee, as well as – unless this is undesired for privacy reasons

[Back to top](#)

– to the Supervisory Board and the Management Board. The chairperson of the Nomination and Corporate Governance Committee shall report orally on its most recent findings in the next meeting of the Supervisory Board.

Secretary

2.2 The Company shall make a secretary available to the Nomination and Corporate Governance Committee, who, among other things, will take minutes of the meetings.

**Policy. Meetings**

Meetings NCGcom at least twice a year

3.1 The Nomination and Corporate Governance Committee shall meet at least twice a year; provided that at least one meeting will be held shortly prior to the Supervisory Board meeting where the Annual Financial Report and the agenda for the General Meeting are determined and one meeting will be devoted to policies and procedures. Meetings can also take place when the chairperson of the Nomination and Corporate Governance Committee deems it necessary or upon request of the Supervisory Board or the CEO. No resolutions may be passed if the majority of the Nomination and Corporate Governance Committee members then in office, other than those who have a conflict of interest, is not present or represented.

Attendance MB/SB members and other officers

3.2 The Nomination and Corporate Governance Committee shall decide who shall be invited to attend its meetings. The Nomination and Corporate Governance Committee may invite other members of the Supervisory Board, and, to discuss specific subjects for which they are responsible, the CEO, Management Board members and any other staff member who can contribute to the discussion.

**Policy. Composition**

Composition NCGcom

4.1 The composition of the Nomination and Corporate Governance Committee shall be in such a way so as to make sure that specific expertise relating to human resources (including expertise concerning the selection process and suitability requirements), management development, corporate governance and the business of the Company and its Group Companies is available, with preferably one member having a management development background, and shall otherwise be in accordance with the requirements for the composition of Committees.

At least 3 members, independency requirements

4.2 The Nomination and Corporate Governance Committee shall be comprised of at least three members, of which no more than one member may be not Independent; such a member, however, may not be appointed chairperson.

## Annex 5 to the Supervisory Board Charter: Charter of the Remuneration Committee of AP Group I DHD.

### Key words

### REMUNERATION COMMITTEE CHARTER

#### Policy. Responsibilities of the Remuneration Committee

Task description  
RemCo

1.1 The Remuneration Committee shall assist the Supervisory Board with the performance of its duties in relation to remuneration, the remuneration policies and the application and compliance thereof and shall prepare the discussions within and decisions of the Supervisory Board on such matters. In doing so the Remuneration Committee will take into account the adequacy of information provided to shareholders on remuneration policies and practices.

Observance of applicable general remuneration principles

1.2 In the performance of its duties the Remuneration Committee shall observe the applicable general remuneration principles as included in the AP Group I DHD Remuneration Regulations Framework, which shall be reviewed at least annually but in any event upon a material change thereof. The Remuneration Committee shall work closely together with the Risk Committee to ensure that the AP Group I DHD Remuneration Regulations Framework is consistent with and promotes sound and effective risk management.

Remuneration employees

Design and implementation remuneration policies

Concrete terms of employment MB members

Remuneration GM CAS and CCO

Remuneration Identified Staff

Remuneration staff with annual compens. > Rs. 1M  
Targets and performance MB members

- 1.3 In connection with the foregoing, the Remuneration Committee shall, timely before the relevant Supervisory Board meeting is to be held, assess and recommend any actions to be taken by the Supervisory Board regarding:
- a. any (proposed) resolution of the Management Board with respect to the remuneration of employees, which is subject to the approval of the Supervisory Board: when applicable;
  - b. any subject which is to be discussed and/or approved by the Supervisory Board in relation to the design and implementation of the AP Group I DHD Remuneration Regulations Framework, the Variable Remuneration Accrual Model (VRAM) and the AP Group I DHD Group Long term Sustainable Performance Plan (LSPP) and the (prospective and retrospective) application thereof: at least annually but in any event upon a material change thereof;
  - c. the concrete terms and conditions of employment, including the remuneration, of the members of the Management Board and the process and timelines to be applied with respect to any proposed material changes to such terms and conditions, **WITH REGARD TO DHD.**, taking into consideration the views of the Executive Board members on their own remuneration, the applicable remuneration policies, and potential impact of any proposed changes on the Company's stakeholders: when applicable;
  - d. the design of the remuneration package and amounts of remuneration to be paid to the General Manager CAS and the Chief Compliance Officer;
  - e. the remuneration of Identified Staff: either by way of ex ante approval or by way of ex post review, as the Supervisory Board may decide;
  - f. the remuneration of all other employees including Identified Staff, whose total annual compensation is expected to equal or exceeds Rs.1 million;
  - g. the performance targets to be set for the Management Board members, as well as the performance of the Management Board as a whole and

[Back to top](#)

Risk based adjustment, holdback and clawback	<p>compliance by Management Board members with their performance targets: <u>at least annually</u>; and</p> <p>h. the proposals for the application of risk based adjustment, including holdback and clawback in accordance with the risk adjustment procedure as included in the VRAM.</p>
Consistency with and promotion of sound and effective risk management	<p>1.4 <b>WITH REGARD TO DHD.</b> and in cooperation with the Risk Committee, the Remuneration Committee shall ensure that and assess whether the DHD Remuneration Regulations Framework, the VRAM and LSPP are consistent with and promote sound and effective risk management and take into account, risk, capital, liquidity and the likelihood and timing of earnings and are aligned with business strategy, objectives, corporate culture and values and the long-term interests of the Company and its Subsidiaries.</p>
Resources RemCo	<p>1.5 In the performance of its tasks, the Remuneration Committee will have adequate financial resources and access to whatever advice or support it requires in the discharge of its duties and is authorised to gather information or seek advice from the Management Board, the Company’s staff departments including control functions and/or external advisors. When engaging an external remuneration advisor or consultant, the Remuneration Committee shall ascertain that this advisor or consultant is not prejudiced by simultaneous or earlier advice to the members of the Management Board.</p>
Review of remuneration policies by CAS	<p>1.6 The Remuneration Committee will ensure that the remuneration policies and practices of the Company and its Subsidiaries, implemented to achieve compliance with remuneration laws and regulations, are subject to internal review by CAS <u>at least annually</u>.</p>
Remuneration policy SB and MB	<p>1.7 The Remuneration Committee shall advise the Supervisory Board on, or make proposals for, the adoption by the General Meeting and implementation of a clear and understandable remuneration policy for the Supervisory Board and the Management Board.</p>
Remuneration report	<p>1.8 The Remuneration Committee is responsible for drawing up a remuneration report on the (implementation of the) remuneration policies for the Management Board and the Supervisory Board for adoption by the Supervisory Board, taking into account the review by the External Auditor with respect to the legal requirements.</p>
Cooperation with other Committees	<p>1.9 In discharging the responsibilities under this Charter, the Remuneration Committee will work with and seek advice from other committees whose activities may have an impact on the design and proper functioning of remuneration policies and practices including the Risk Committee, Audit Committee and Nomination and Corporate Governance Committee.</p>
Review of Charter	<p>1.10 The Remuneration Committee shall <u>annually</u> review and assess the adequacy of this Charter and the content, format and frequency of the information to be reported to them.</p>

### **Policy. Reporting responsibilities**

- Minutes of meeting 2.1 Minutes of the meetings of the Remuneration Committee shall be sent to the members of the Remuneration Committee, as well as – unless this is undesired for privacy reasons – to the Supervisory Board, the CEO and such Management Board members as the Remuneration Committee or the Supervisory Board may decide. The chairperson of the Remuneration Committee shall report orally on its most recent findings in the next meeting of the Supervisory Board.
- Secretary 2.2 The Company shall make a secretary available to the Remuneration Committee, who, among other things, will take minutes the meetings.

### **Policy. Meetings**

- Meetings RemCo at least 2 times a year 3.1 The Remuneration Committee shall meet at least twice a year; provided that at least one meeting will be held shortly prior to the Supervisory Board meeting where the Annual Financial Report and the agenda for the General Meeting are determined and one meeting will be devoted to policies and procedures. Meetings can also take place when the chairperson of the Remuneration Committee deems it necessary or upon request of the Supervisory Board or the CEO. No resolutions may be passed if the majority of the Remuneration Committee members then in office, other than those who have a conflict of interest, is not present or represented.
- Attendance of MB/SB members and other officers 3.2 The Remuneration Committee shall decide who shall be invited to attend its meetings. The Remuneration Committee may invite other members of the Supervisory Board, and, to discuss specific subjects for which they are responsible, the CEO, a member of the Risk Committee, Management Board members and any staff member who can contribute to the discussion. However, meetings to discuss (i) the terms and conditions of employment of a Management Board member, (ii) performance targets to be set for the Management Board members, (iii) the performance of the Management Board as a whole and/or (iv) compliance by Management Board members with their performance targets shall be held in an Internal Meeting.

### **Policy. Composition**

- Composition RemCo 4.1 The composition of the Remuneration Committee shall be in accordance with applicable laws and regulations, in such a way so as to make sure that specific expertise relating to remuneration policies and practices, risk management and control activities, human resources, executive remuneration and the business of the Company and its Group Subsidiaries is available, with preferably one member having an executive-remuneration background, and shall otherwise be in accordance with the requirements for the composition of Committees.
- At least 3 members, independency requirements 4.2 The Remuneration Committee shall be comprised of at least three members, of which no more than one member shall be not Independent. The chairperson of the Remuneration Committee cannot be the Chairperson or a former member of the Management Board.

[Back to top](#)



## Annex 6 to the Supervisory Board Charter: Management Board resolutions which require approval of the Supervisory Board

Approval of the Supervisory Board is required for all resolutions of the Management Board concerning:

- a. the Strategic Plan, which approval needs renewal on an annual basis;
- b. the definition of the risk appetite levels (its boundaries), which approval needs renewal on an annual basis;
- c. the allocation of tasks of the Management Board to individual Management Board members or, if diverging therefrom, to Committees of the Management Board;
- d. the appointment and dismissal of the Company Secretary;
- e. the DHD Remuneration Regulations Framework (IRRF), the Variable Remuneration Accrual Model (VRAM) and the AP Group I DHD Long term Sustainable Performance Plan (LSPP);
- f. the policies and general principles with respect to the terms and conditions of employment, including the remuneration, of the members of the management boards of the Company's Subsidiaries;
- g. the actual remuneration of such categories of employees of the Company and its Subsidiaries and such changes to this remuneration as the Supervisory Board, in consultation with the Management Board, will determine from time to time;
- h. any material deviations or exemptions from the DHD Remuneration Regulation Framework (IRRF) not required by mandatory local law;
- i. the appointment, remuneration and dismissal of the General Manager CAS, and the functioning and performance of CAS at least annually, as well as the CAS audit plan at least annually, all based on the recommendations of the Audit Committee;
- j. the remuneration and dismissal of the Chief Compliance Officer;
- k. the remuneration of all other employees, including Identified Staff, whose total annual compensation is expected to equal or exceed EUR 1 million;
- l. the proposals for the application of risk based adjustment, including holdback and clawback in accordance with the risk adjustment procedure as included in the Variable Remuneration Accrual Model (VRAM);
- m. the Suitability Policy Framework;
- n. any outside positions to be held by the Management Board members (as mandated to the Chairperson) and, if it concerns the CEO, also any local (supervisory) board position within the organisation of the Company's group;
- o. any transaction in which there are (potential) conflicts of interest with Management Board members that are of material significance to the Company or any of its Subsidiaries on the one hand and/or the relevant Management Board members on the other hand;
- p. any transaction in which there are (potential) conflicts of interest with Supervisory Board members that are of material significance to the Company or any of its Subsidiaries on the one hand and/or the relevant Supervisory Board members on the other hand;
- q. **WITH REGARD TO DHD.**, any transaction between the Company and/or any of its Subsidiaries and any other legal entity or person who holds at least 10% of the shares of the Company, insofar these transactions are of material significance to the Company and/or such legal entities or persons;
- r. a proposal to undertake a legal merger or demerger within the meaning of Part 7 of Book 2 of the India Civil Code;
- s. **WITH REGARD TO DHD.**, the application of the Standardized Approach for operational risk, referred to in Policy ;

- t. **WITH REGARD TO DHD.**, the application of the Internal Model Method referred to in Policy;
- u. any matters which are mentioned as being subject to approval of the Supervisory Board in the decision structure of the Company and its Subsidiaries;
- v. any other actions for which approval is required pursuant to Policy, paragraph of the Polycs of Association of DHD or Policy, paragraph of the Polycs of Association of DHD.;
- w. any other actions for which approval is required pursuant to the law, the Polycs of Association, the Charter of the Management Board, the Charter of the Supervisory Board, or any other applicable regulations;
- x. a material transaction (as defined in Policy) of the Company or a Subsidiary that is not in the ordinary course of business or not under normal market conditions and for which material transaction none of the exceptions of Policy paragraph apply (the approval of the Supervisory Board is required ultimately at the moment such transaction is entered into).