

ARTICLES OF ASSOCIATION

of:

Koninklijke FrieslandCampina N.V.

with corporate seat in Amersfoort, the Netherlands

dated 14 January 2015

NAME, CORPORATE SEAT AND CORPORATE PURPOSE

Name. Corporate seat.

Article 1.

- 1.1. The name of the company is: **Koninklijke FrieslandCampina N.V.**
For the purpose of foreign transactions, the company may act under the name: Royal FrieslandCampina N.V.
- 1.2. Its corporate seat is in Amersfoort. It can establish offices and branches both in the Netherlands and outside the Netherlands.

Corporate purpose.

Article 2.

- 2.1. The corporate purpose of the company is:
 - a. to independently operate and/or to participate in the management and financing of manufacturing and commercial enterprises for dairy and dairy-related products, dairy processing, soft drinks and/or related products in the broadest sense, and other foodstuffs and luxury foodstuffs, including ingredients and raw materials for the preparation thereof, as well as the production of and/or trade in the abovementioned products and raw materials; and
 - b. to participate in and to take an interest in any other way in the management and finance of subsidiaries, group companies and participations of the company, furthermore to provide security and to undertake its own obligations as well as the obligations of the aforementioned subsidiaries, group companies and participations or third parties and finally all activities which are incidental to or which may be conducive to any of the foregoing.
- 2.2. The company is not authorised to issue depositary receipts for shares, without prejudice to the right of a shareholder to issue depositary receipts for its shares.

SHARE CAPITAL AND SHARES

Share capital and shares.

Article 3.

- 3.1. The authorised share capital of the company amounts to one billion euro (EUR 1,000,000,000). It is divided into ten million (10,000,000) shares of one hundred euro (EUR 100) each.

- 3.2. The shares shall be in registered form and shall consecutively be numbered from 1 onwards.
- 3.3. No share certificates shall be issued.
- 3.4. The company may not provide security, give a price guarantee or otherwise warrant performance or bind itself jointly and severally or in addition to or on behalf of others for the purpose of subscribing for or acquiring shares in its capital or depositary receipts for those shares. Given the preceding sentence the company may also not provide loans, unless the Executive Board, subject to the approval of the general meeting of shareholders, hereinafter: the general meeting, and the supervisory board decides to provide such loan and the provisions of section 2:98c subsection 2 of the Dutch Civil Code have been satisfied.

Issue of shares.

Article 4.

- 4.1. Shares shall be issued pursuant to a resolution of the general meeting; the general meeting shall determine the price and further terms and conditions of the issue, everything on the proposal of the Executive Board, which proposal requires the approval from the supervisory board.
- 4.2. Shares will at no time be issued at a price below par. Shares shall be issued by notarial deed in accordance with section 2:86 of the Civil Code.
- 4.3. Within eight (8) days of a resolution of the general meeting toward an issue, the company shall file the full text thereof at the Chamber of Commerce. Within eight (8) days of each issuance of shares the company shall file at the Chamber of Commerce and Industry a notification of the issuance stating the number of shares.
- 4.4. The provisions laid down in the aforementioned paragraphs shall apply, *mutatis mutandis*, to the granting of rights to subscribe for shares, but shall not apply to the issue of shares to a person who exercises a previously acquired right to subscribe for shares.

Payment for shares.

Article 5.

- 5.1. Shares shall only be issued against payment in full.
- 5.2. Payment must be made in cash, providing no alternative contribution has been agreed.
- 5.3. Payment in cash may be made in a foreign currency, subject to the company's consent by a resolution of the Executive Board, which resolution requires the approval of the supervisory board.

Pre-emptive rights.

Article 6.

- 6.1. Upon the issue of shares, regardless of how these shares will be paid up, each shareholder shall have a pre-emptive right in proportion to the aggregate amount of his shares.
- 6.2. Should a shareholder not or not fully exercise such right, the other shareholders shall be equally entitled to pre-emptive rights in respect of those shares which have not been claimed.

If the latter do not or do not fully jointly exercise their pre-emptive rights, then the general meeting shall be free to decide to whom the shares which have not been claimed shall be issued.

- 6.3. Pre-emptive rights may be limited or excluded for each specific issue by a resolution of the general meeting acting on the proposal of the Executive Board, which proposal requires the approval of the supervisory board.
- 6.4. Pre-emptive rights may not be separately disposed of.
- 6.5. If pre-emptive rights exist in respect of an issue of shares, the general meeting shall determine, with due observance of this article and simultaneously with the resolution to issue shares, the manner in which and the period within which such pre-emptive rights may be exercised. Such a period shall be at least four (4) weeks from the date the notification referred to in paragraph 6 is sent.
- 6.6. The company shall notify all shareholders of an issue of shares in respect of which pre-emptive rights exist and of the period of time within which such rights may be exercised.
- 6.7. This article shall equally apply to a grant of rights to subscribe for shares, but shall not apply to an issue of shares to a person who exercises a previously acquired right to subscribe for shares.

Acquisition of shares. Capital Reduction.

Article 7.

- 7.1. Subject to authorisation by the general meeting and subject to section 2:98 Dutch Civil Code, the Executive Board may cause the company to acquire fully paid up shares in its share capital for consideration.
- 7.2. Subject to the approval of the supervisory board the Executive Board may resolve to dispose of shares acquired by the company in its own share capital. Pre-emptive rights for shareholders will apply to such disposal of shares in accordance with article 6.
- 7.3. If a shareholder has exercised his right to issue depositary receipts for his shares in accordance with article 2, paragraph 2 of these articles, such depositary receipts for shares are on par with shares for the purpose of paragraph 1 and the first sentence of paragraph 2 above.
- 7.4. The general meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the par value of shares through an amendment of the articles of association, provided that issued share capital does not fall below the minimum share capital required by the law in effect at the time of the resolution.
- 7.5. A resolution to cancel shares can only apply to shares which are held by the company itself or to shares for which the company holds depositary receipts, subject to repayment of their par value in all aforementioned cases.
- 7.6. Reduction of the par value of shares without repayment or partial repayment of shares shall be effected pro rata with respect to all shares. The shareholders may, by unanimous consent, deviate from the requirement that a reduction shall be effected pro rata with respect to all shares.
- 7.7. The notice of a general meeting at which a resolution referred to in this article is to be adopted shall include the reason for the reduction of the share capital and the manner in

which such resolution shall be effectuated. The resolution to reduce the share capital shall specify the shares to which the resolution applies and shall describe how such resolution shall be implemented. The company shall file a resolution to reduce the issued share capital with the Trade Register of the Chamber of Commerce and Industry which is competent to register the company in the trade register and shall publish such filing in a national daily newspaper.

Shareholders register.

Article 8.

- 8.1. The Executive Board shall maintain a register in which the names and addresses of all shareholders shall be recorded, stating the date on which they acquired the shares, the number of shares held by each of them, the date of acknowledgement or service, as well as the amount paid up on each share and any other information that must be recorded according to law.
The register shall be kept up to date.
- 8.2. Upon request and at no cost, the Executive Board shall provide a shareholder, a holder of a right of usufruct and a holder of a right of pledge with an extract from the register regarding their respective rights with respect to a share. If a share is encumbered with a right of usufruct or a right of pledge, the extract shall specify that the shareholder is not entitled to the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company.
- 8.3. The Executive Board shall make the register available at the office of the company for inspection by the shareholders.
- 8.4. Each shareholder, holder of a right of usufruct and holder of a right of pledge shall give his address to the Executive Board.

Notices of meetings. Notifications and notices.

Article 9.

- 9.1. Notices of meetings and notifications shall be given by registered or regular post or by bailiff's writ shall be sent to the addresses most recently provided to the Executive Board. Notifications by shareholders to the Executive Board or to the supervisory board shall be sent to the office of the company. With the consent of the shareholder, notices of meetings and notifications may be given to him by sending a legible and reproducible electronic communication (including email) to the address most recently provided by him for this purpose.
- 9.2. The date of a notice of meeting or a notification shall be deemed to be the date of service of the writ, the date stamped on the registered letter or the date of mailing the letter or email.
- 9.3. Notifications which, pursuant to the law or the articles of association, are to be addressed to the general meeting may be included in the notice of such meeting.

Transfer of shares.

Article 10.A.

The transfer of shares or of a right of usufruct on shares or the creation or release of a right of usufruct or of a right of pledge on shares shall be effected by notarial deed in accordance with section 2:86 of the Dutch Civil Code.

Restrictions on the transfer of shares.

Article 10.B.

- 10.B.1. A transfer of shares in the company - not including a disposal by the company of shares which it has acquired in its own share capital - may only be effected with due observance of article 10.B.
- 10.B.2. A shareholder who wishes to transfer one or more shares shall require the approval of the general meeting.
- 10.B.3. The transfer must be effected within three (3) months after the approval has been granted or is deemed to have been granted.
- 10.B.4. The approval shall be deemed to have been granted if the general meeting, simultaneously with the refusal to grant its approval, does not provide the requesting shareholder with the names of one or more interested parties who are prepared to purchase all of the shares referred to in the request for approval against payment in cash, at the purchase price determined in accordance with paragraph 5; the company itself can only be designated as interested party with the approval of the requesting shareholder.
The approval shall likewise be deemed granted if the general meeting has not made a decision in respect of the request for approval within six (6) weeks of its receipt.
- 10.B.5. The requesting shareholder and the interested parties accepted by him shall determine the purchase price by mutual agreement.
Failing agreement, the purchase price shall be determined by an independent expert, to be designated by mutual agreement between the Executive Board and the requesting shareholder.
- 10.B.6. Should the Executive Board and the requesting shareholder fail to reach agreement on the designation of the independent expert, such designation shall be made by the President of the Chamber of Commerce and Industry which is competent to register the company in the trade register.
- 10.B.7. Once the purchase price of the shares has been determined by the independent expert, the requesting shareholder shall be free, for a period of one month after the determination of the purchase price, to decide whether he will transfer his shares to the designated interested parties.

EXECUTIVE BOARD. SUPERVISION ON MANAGEMENT

Executive Board. Supervision on management. Appointment, suspension and dismissal of members of the Executive Board.

Article 11.

- 11.1. The company shall be managed by the Executive Board, under the supervision of a supervisory board. The Executive Board consists of two (2) or more members of the Executive Board.
Each of the members of the Executive Board may be granted a title. Only natural persons can be appointed as member of the Executive Board. The supervisory board shall determine the number of members of the Executive Board.

- 11.2. Members of the Executive Board shall - in accordance with section 2:162 Dutch Civil Code - be appointed by the supervisory board. The supervisory board shall notify the general meeting of the proposed appointment of a member of the Executive Board. The supervisory board may at any time suspend a member of the Executive Board. The supervisory board shall not remove a member of the Executive Board until the general meeting has been consulted on the intended dismissal.
- 11.3. If the supervisory board has suspended a member of the Executive Board, the supervisory board shall resolve either to dismiss such a member of the Executive Board, or to terminate or continue the suspension, within three (3) months after the suspension has taken effect, failing which the suspension shall lapse.
A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of three (3) months commencing on the day the supervisory board adopted the resolution to continue the suspension. If the supervisory board fails to resolve to dismiss the member of the Executive Board or to terminate the suspension within the stated period, the suspension shall lapse.
A member of the Executive Board who has been suspended shall be given the opportunity to account for his actions at the meeting of the supervisory board and to be assisted by an adviser.
- 11.4. In the event that one or more members of the Executive Board are prevented from acting, or in the case of a vacancy or vacancies for one or more members of the Executive Board, the remaining members of the Executive Board or the only remaining member of the Executive Board shall temporarily be in charge of the management. In the event that all members of the Executive Board are or the only member of the Executive Board is prevented from acting or there are vacancies for all members of the Executive Board or there is a vacancy for the only member of the Executive Board, the supervisory board shall temporarily be in charge of the management; in such case the supervisory board shall be authorised to designate one or more temporary members of the Executive Board.
In the event of a vacancy of all members of the Executive Board, the supervisory board shall take the necessary measures to make a definitive arrangement as soon as possible.
The term prevented from acting is taken to mean:
(i) suspension;
(ii) illness;
(iii) inaccessibility,
in the events referred to under sub (ii) and (iii) without the possibility of contact for a period of five (5) days between the member of the Executive Board concerned and the company, unless the supervisory board, where applicable, sets a different term.
- 11.5. In the event that one or more supervisory directors is prevented from acting, or in the case of a vacancy or vacancies for one or more supervisory directors, the remaining supervisory directors or the only remaining supervisory director shall temporarily be in charge of the supervision, without prejudice to the right of the general meeting to

appoint a temporary supervisory director to replace the supervisory board director concerned.

In the case of a vacancy or vacancies for one or more supervisory directors, the remaining supervisory directors shall as soon as possible take the necessary measures to make a definitive arrangement. In the event that all supervisory directors are prevented from acting or there are vacancies for all supervisory directors, the managing board shall as soon as possible take the necessary measures to make an arrangement. The term prevented from acting is taken to mean:

- (i) suspension;
- (ii) illness;
- (iii) inaccessibility,

in the events referred to under sub (ii) and (iii) without the possibility of contact for a period of five (5) days between the supervisory director concerned and the company, unless the general meeting, where applicable, sets a different term.

Terms and conditions of employment and remuneration members of the Executive Board and supervisory directors.

Article 12.

- 12.1. The general meeting shall on the proposal of the supervisory board determine the policy regarding the remuneration and other terms and conditions which apply to the Executive Board. The proposition on the remuneration policy shall be submitted in writing to the Works Council as defined by law and at the same time it is submitted to the general meeting.
- 12.2. The supervisory board shall determine - with due observance of the policy as referred to in paragraph 1 of this article - the remuneration of the members of the Executive Board.
- 12.3. The general meeting may determine the remuneration of supervisory directors which shall not be subject to the results. They shall be reimbursed for their expenses.

Duties of the Executive Board, assignment of duties and decision-making.

Article 13.

- 13.1. With due observance of these articles of association, the Executive Board may adopt rules governing its internal proceedings. Furthermore, subject to the approval of the supervisory board the members of the Executive Board may divide their duties among themselves, whether or not by rule.
- 13.2. The Executive Board shall meet whenever a member of the Executive Board so requires. The Executive Board shall adopt its resolutions by an absolute majority of votes cast.
In a tie vote, the proposal shall have been rejected.
- 13.3. If a member of the Executive Board has a direct or indirect personal conflict of interest with the company, he shall not participate in the deliberations and the decision-making process concerned in the Executive Board. If as a result thereof no resolution of the Executive Board can be adopted, the resolution is adopted by the supervisory board.
- 13.4. The Executive Board may also adopt resolutions without holding a meeting, provided such resolutions are adopted in writing or in a reproducible manner by electronic means of communication (including email) and all members of the Executive Board entitled to

vote have consented to adopting the resolution outside a meeting. Articles 13 paragraph 2 and 3 shall equally apply to adoption by the Executive Board of resolutions without holding a meeting.

- 13.5. The approval of the supervisory board shall be required for resolutions of the Executive Board as referred to elsewhere in these articles of association, as well as for the following resolutions of the Executive Board:
- a. a proposal to issue shares and the issue and acquisition of shares in the company and debt instruments issued by the company or debt instruments issued by a limited partnership or a general partnership of which the company is a general partner with full liability, a proposal to grant rights to subscribe for shares, a proposal to fix the price and determine any further conditions of any issue casu quo granting of rights to subscribe for shares, a resolution to accept a payment on shares in a foreign currency, proposal to limit or exclude pre-emption rights in respect of any issue of shares and a proposal to reduce the issued capital;
 - b. the application for admission to trading of the instruments referred to in paragraph a. on a regulated market or a multilateral trading facility as referred to in Section 1:1 of the Financial Markets and Supervision Act ("*Wet op het financieel toezicht*") or a system comparable to a regulated market or multilateral trading facility from a state which is not a member state or an application for withdrawal of such admission;
 - c.
 - (i) entry into or termination of continuing collaboration by the company, a dependent company, a subsidiary, a group company and/or a participation of the company with another legal entity or partnership or as general partner with full liability or a limited partnership, if such collaboration or termination of such a collaboration is of far-reaching interest for the company;
 - (ii) participation in the capital of another company by the company, a dependent company, a subsidiary, a group company and/or a participation of it, as well as any far-reaching increase or decrease of such participation; and
 - (iii) (dis)investments by the company, a dependent company a subsidiary, a group company and/or a participation of the company,in all events referred to under (i), (ii) and (iii) if the interest to the company, the dependent company, the subsidiary or participation exceeds an amount of twenty-five million euro (EUR 25,000,000) or if the interest does not exceed such an amount, a value of at least one-fourth of the aggregate amount of the issued capital of the company and the reserves according to the most recently adopted balance sheet with explanatory note;
 - d. a proposal to amend the articles of association of the company;
 - e. a proposal to dissolve the company;
 - f. application for involuntary liquidation and for a suspension of payments, both in so far as it concerns the company as one of her dependent companies, subsidiaries group companies and/or participations;

- g. termination of the employment of a considerable number of employees of the company or of a dependant company, group company and/or subsidiary at the same time or within a short timespan;
- h. a far-reaching change in employment conditions of a considerable number of employees of the company, of a dependent company, group company and/or of a subsidiary;
- i. entry into loans payable by or in favour of the company, amounting to at least the amount of one hundred million euro (EUR 100,000,000) and binding the company for the obligations of others, either by way of suretyship or in any other way, for an amount of at least the same amount as referred to herein;
- j. a proposal of the Executive Board to adopt the policy of the company concerning reservations;
- k. exercise the voting right on shares held by the company, to the extent it concerns a resolution to approve or otherwise as referred to in a. up to and including c. and e. up to and including i. of this paragraph with respect to the relevant company; and
- l. other resolutions concerning an important change of the identity or character of the company or corporation.

The supervisory board may resolve to submit other resolutions of the Executive Board to its approval.

- 13.6. The approval of the general meeting shall be required for resolutions of the Executive Board as referred to elsewhere in these articles of association, as well as for the following resolutions:
- a.
 - (i) to transfer the company or almost the entire company to a third party;
 - (ii) entry into or termination of continuing collaboration by the company, a dependant company, a subsidiary, a group company or a participation of the company with another legal entity or partnership or as general partner with full liability or a limited partnership, if such collaboration or termination of such a collaboration is of far-reaching interest for the company;
 - (iii) to participate in the capital of another company or terminate such participation with a value of at least one-third of the assets according to the balance sheet with explanatory note or, if the company draws up a consolidated balance sheet, according to the consolidated balance sheet with explanatory note according to the most recently adopted annual accounts of the company, by the company or its subsidiary;
 - b. as far as not covered by one of the categories aforementioned under a (dis)investments by the company, a dependent company, a subsidiary, a group company or a participation of the company, if the interest to the company exceeds an amount of fifty million euro (EUR 50,000,000);
 - c. resolutions/legal acts as far as the relevant legal act or resolution is not already included by virtue of law or by virtue of these articles of association in the authority of the general meeting or is already included in the categories mentioned under a and b of this paragraph 6:

- (i) a proposal to issue shares and the issue and acquisition of shares in the company and debt instruments issued by the company or debt instruments issued by a limited partnership or a general partnership of which the company is a general partner with full liability, a proposal to grant rights to subscribe for shares, a proposal to fix the price and determine any further conditions of any issue casu quo granting of rights to subscribe for shares, a resolution to accept a payment on shares in a foreign currency, proposal to limit or exclude pre-emption rights in respect of any issue of shares and a proposal to reduce the issued capital;
 - (ii) an application for admission to trading of the instruments referred to in subparagraphs a and b on a regulated market or a multilateral trading facility as referred to in Section 1:1 of the Financial Markets and Supervision Act ("*Wet op het financieel toezicht*") or a system comparable to a regulated market or multilateral trading facility from a state which is not a member state or an application for withdrawal of such admission;
 - (iii) application for involuntary liquidation and for a suspension of payment, both insofar as it concerns the company as one of her dependent companies, subsidiaries, group companies and/or participations;
 - (iv) other resolutions concerning an important change of the identity or character of the company or corporation;
- d. to exercise voting rights on shares held by the company in other companies as far as it concerns a resolution as mentioned under a, b and c of this paragraph 6.
- 13.7. The lack of any approval as referred to in the paragraphs of this article shall not effect the authority to represent the company by the Executive Board and her members.

Representation.

Article 14.

- 14.1. The Executive Board shall have the power to represent the company.
- 14.2. The company may also be represented by two (2) members of the Executive Board acting jointly.

Authorised signatories.

Article 15.

The Executive Board may grant one or more persons, whether or not employed by the company, the power to represent the company ('*procuratie*') or grant in a different manner the power to represent the company on a continuing basis. The Executive Board may also grant a title to persons, as referred to in the preceding sentence, as well as to other persons, but only if such persons are employed by the company.

SUPERVISORY BOARD

Supervisory board. Composition and incompatibilities.

Article 16.

- 16.1. The supervisory board determines the number of supervisory directors. At least one-fourth of the total number of members of the supervisory board will consist of persons who are not a member of the cooperative, or a supplier of the cooperative, or a

member of any body of the cooperative. Only natural persons can be a supervisory director.

- 16.2. A person who is employed by the company or by a dependant company of the company or is a person or managing director of an employee's organization which organization tends to be involved in the adoption of the employment conditions of the employees as referred to herein cannot be appointed as supervisory director.
- 16.3. The supervisory board adopts a supervisory board profile for its volume and composition taken into account the type of the corporation, its activities and the desired expertise and background of the supervisory directors. The board discusses the profile and each amendment thereto in the general meeting and with the works council as referred to in section 2:158, subsection 11 Dutch Civil Code, hereinafter: the works council.

Supervisory Board. Appointment.

Article 17.

- 17.1. The supervisory directors are appointed by the supervisory board. The power to do so cannot be restricted by any binding nomination.
- 17.2. The general meeting and the works council may recommend persons to the supervisory board for appointment. The supervisory board shall notify them in a timely fashion when, as a consequence whereof and in accordance with which profile, a vacancy should be fulfilled. The supervisory board may stipulate a period of time to make a recommendation.
Paragraph 3 of this article will equally apply to the recommendation. The supervisory board will also disclose if, for the vacancy, the increased power of recommendation applies as referred to in paragraph 4 of this article.
- 17.3. The supervisory board shall give notice to the general meeting and the works council of the name of the person it wants to appoint. This notification will state the candidate's age, profession, the number of shares held by him in the capital of the company and the positions he holds or has held insofar as these are important to the fulfilment of the task of a supervisory director. Furthermore it will state of which legal entities he is a supervisory director; if this includes legal entities which fall within one group, only the group needs to be stated.
A reason must be given for the recommendation. The way a candidate has fulfilled his duty as supervisory director shall be taken into account at reappointment.
- 17.4. A number of members of the supervisory board shall be appointed by the supervisory board at the recommendation of the works council unless the supervisory board raises objections against this recommendation on the bases of the expectation that the recommended person will be unsuitable for fulfilment of his duty as supervisory director or that upon appointment in accordance of the recommendation the board of supervisory directors shall not be constituted properly.
- 17.5. If the supervisory board raises objections to the person recommended by the works council in accordance with paragraph 4, the board shall notify the works council stating the reasons. The supervisory board will immediately consult the works council in order to reach an agreement regarding the appointment. If the supervisory board concludes that no agreement can be reached, a for that purpose designated member of the board

will request the Enterprise Division of the Amsterdam Court of Appeals to uphold the notice of objection. The request will not be filed before four weeks have lapsed after the start of the consult with the works council. The supervisory board will appoint the recommended person if the Enterprise Division does not uphold the notice of objection. In the case that the Enterprise Division upholds the notice of objection the works council may make another recommendation in accordance with paragraph 4 of this article.

Absence of all supervisory directors.

Article 18.

- 18.1. If all supervisory directors are absent other than pursuant to article 19, paragraph 4 the general meeting shall make the appointment.
- 18.2. In that case the works council may recommend persons for the appointment of a supervisory director. The person who convenes the general meeting will notify the works council in a timely fashion that the appointment of supervisory directors shall be a matter to be discussed in the general meeting stating if an appointment of a supervisory director takes place in accordance with the right of recommendation of the works council as referred to in article 17, paragraph 4.

Resignation, suspension and dismissal of supervisory directors. Withdrawal of confidence.

Article 19.

- 19.1. A supervisory director will resign:
- a. on the day on which he has been a supervisory director in his most recent appointment for a term of four (4) years;
 - b. on the day of the first general meeting after the period of time as referred to under a; or
 - c. if he no longer meets one of the quality standards of the profile as referred to in article 16, paragraph 3, insofar as this is applicable to him or her.
- A supervisory director who resigns due to the lapse of the term of appointment may be reappointed twice immediately. The resigning chairman of the supervisory board may be reappointed twice as well provided that when he fulfils his third term as chairman - regardless of whether he acted as chairman in his first and/or second term - he may be reappointed one further time, all this unless the previous sentence applies to him.
- 19.2. A supervisory director can be dismissed by the Enterprise Division of the Amsterdam Court of Appeals for neglect of his duty, for other serious reasons or for far-reaching amendment of the circumstances on the bases whereof remaining in office as supervisory director cannot reasonably be required of the company. The request can be filed by the company represented in this case by the board of supervisory directors, as well as a thereto designated representative of the general meeting or the works council.
- 19.3. A supervisory director can be suspended by the board of supervisory directors, provided that a suspension shall be considered terminated if the company has not filed a request as referred to in paragraph 2 of this article with the Enterprise Division within one (1) month of the commencement of the suspension.
- 19.4. The general meeting can with an absolute majority of the votes cast, representing at least one-third of the issued share capital, pass a resolution of no confidence in the board of supervisory directors. The reasons on which the resolution is based should be

- stated. Such resolution cannot be adopted regarding supervisory directors who are appointed by the Enterprise Division in accordance with paragraph 6 of this article.
- 19.5. A resolution as referred to in paragraph 4 of this article will not be adopted before the Executive Board has given notice to the works council of the motion and the reasons thereof. The notification should be made at least thirty (30) days before the general meeting in which the motion is handled. If the works council determines its position about the motion the Executive Board shall inform the board of supervisory directors and the general meeting of this position. The works council may explain its position in the general meeting.
- 19.6. The resolution as referred to in paragraph 4 of this article will cause the immediate dismissal of the members of the supervisory board. In such case, the Executive Board will immediately request the Enterprise Division of the Amsterdam Court of Appeals to temporarily appoint one or more supervisory directors. The Enterprise Division will arrange the consequences of the appointment.
- 19.7. The board of supervisory directors will ensure that within a period of time set by the Enterprise Division a new board is composed with due regard to article 17.

Duty, assignment of duties, method of operation and decision-making of the supervisory board.

Article 20.

- 20.1. Supervision of the policies of the Executive Board and of the general course of the company's affairs and its business enterprise shall be exercised by the supervisory board. It shall support the Executive Board with advice. In fulfilling their duties the supervisory directors shall serve the interests of the company and its business enterprise. The Executive Board shall provide the supervisory board with the information it needs to carry out its duties in due time. The Executive Board will notify the board of supervisory directors in writing about the main features of the strategic policy, the general and financial risks and the management and control system of the company at least once a year.
- 20.2. The supervisory board shall appoint one of its members as its chairman and vice-chairman. The supervisory board shall also appoint a secretary, whether or not from among its members.
- Furthermore, the supervisory board may appoint one or more of its members as delegate supervisory director in charge of communicating with the Executive Board on a regular basis. They shall report their findings to the supervisory board. The offices of chairman of the supervisory board and delegate supervisory director are compatible.
- 20.3. With due observance of these articles of association, the supervisory board may adopt rules governing the division of its duties among its various members. The supervisory board may thereto set up committees from among its members.
- 20.4. The supervisory board may decide that one or more of its members shall have access to all premises of the company and shall be authorised to examine all books, correspondence and other records and to be fully informed of all actions which have taken place, or may decide that one or more of its members shall be authorised to exercise a portion of such powers.

- 20.5. The supervisory board shall meet whenever one of its members so requests. The supervisory board shall adopt its resolutions by an absolute majority of votes cast. In a tie vote, the general meeting shall decide.
- 20.6. If a supervisory director has a direct or indirect personal conflict of interest with the company, he shall not participate in the deliberations and the decision-making process concerned in the supervisory board. If as a result thereof no resolution of the supervisory board can be adopted, the resolution is adopted by the general meeting.
- 20.7. Without prejudice to paragraph 8 of this article the supervisory board may not adopt resolutions if the majority of its members are not present.
- 20.8. The supervisory board may also adopt resolutions without holding a meeting, provided such resolutions are adopted in writing or in a reproducible manner by electronic means of communication (including email) and all supervisory directors entitled to vote have consented to adopting the resolution outside a meeting.
Articles 20.5. and 20.6. shall equally apply to adoption by the supervisory board of resolutions without holding a meeting.
Such resolutions shall be recorded in the minute book of the supervisory board kept by the secretary of the supervisory board; the documents in evidence of the adoption of such resolutions shall be kept with the minute book.
- 20.9. Members of the Executive Board shall attend the meetings of the supervisory board, if invited to do so, and they shall provide in such meetings all information required by the supervisory board.
- 20.10. At the expense of the company, the supervisory board may obtain such advice from experts as the supervisory board deems desirable for the proper fulfilment of its duties.
- 20.11. In the case of a vacancy in the board of supervisory directors the board of supervisory directors remains authorised to adopt resolutions.

GENERAL MEETINGS.

General meetings. General.

Article 21.

- 21.1. The annual general meeting shall be held within six (6) months after the end of the financial year.
- 21.2. The agenda for this meeting shall in any case include the following items:
- a. the discussion of the Executive Board's written annual report concerning the company's affairs and the management as conducted;
 - b. the adoption of the annual accounts of the company;
 - c. the allocation of profits of the company;
 - d. the discharge of members of the Executive Board from liability for their management over the last financial year of the company; and
 - e. the discharge of supervisory directors from liability for their supervision of the Executive Board over the last financial year of the company.

The items referred to above need not be included on the agenda if the period for preparing the annual accounts and presenting the annual report has been extended or if the agenda includes a proposal to that effect. In addition, the item referred to in a. need

not be included on the agenda if section 2:391 of the Dutch Civil Code does not apply to the company.

At the annual general meeting, any other items that have been put on the agenda in accordance with paragraphs 2, 3 and 4 of article 22 will be dealt with.

- 21.3. Extraordinary meetings shall be convened whenever the Executive Board or the supervisory board or a shareholder considers appropriate.

General meetings. City. Notice.

Article 22.

- 22.1. General meetings shall be held in Amersfoort, Arnhem, Nijkerk or Haarlemmermeer (Schiphol) at the discretion of the person who convenes the meeting.
Resolutions adopted at a general meeting held elsewhere shall be valid only if the entire issued share capital is represented.
- 22.2. Shareholders shall be given notice of the general meeting by the shareholder as referred to in article 21, paragraph 3, the Executive Board, the supervisory board, a member of the Executive Board or a supervisory director.
The notice shall specify the items to be discussed, unless the agenda is deposited at the office of the company for inspection by the shareholders - who may obtain copy of the same at no cost - and this is stated in the notice. A proposal to amend the articles of association or to reduce the share capital must, however, always be stated in the notice of the meeting.
- 22.3. Notice shall be given not later than on the fifteenth day prior to the date of the meeting. If the notice period was shorter or if no notice was sent, no valid resolutions may be adopted unless the resolution is adopted by unanimous vote at a meeting at which the entire issued share capital is represented.
- 22.4. The provision of the preceding paragraph shall apply correspondingly to matters in respect of which the provisions of paragraph 2 and 3 of this article have not been complied with and the discussion of which has not been announced in the notice of meeting in the same manner and with due observance of the notice period.

General meetings. Chair. Minutes.

Article 23.

- 23.1. The general meeting shall appoint its chairman. The chairman shall designate the secretary.
- 23.2. Minutes shall be kept of the business transacted at the meeting unless a notarial record is prepared thereof. Minutes shall be adopted and to evidence such adoption shall be signed by the chairman and the secretary of the meeting concerned, or alternatively shall be adopted by a subsequent meeting; in the latter case the minutes shall be signed by the chairman and the secretary of such subsequent meeting in evidence of their adoption.
- 23.3. The chairman of the meeting and furthermore each member of the Executive Board and each supervisory director may give instructions at any time that a notarial record to be prepared at the expense of the company.

General meeting. Voting right. Decision-making.

Article 24.

- 24.1. Each share confers the right to cast one vote at the general meeting.
Blank votes and invalid votes shall be regarded as not having been cast.
- 24.2. Resolutions shall be adopted by absolute majority of votes cast, unless the law requires a larger majority to do so.
- 24.3. The chairman shall determine the manner of voting provided, however, that if any person present and entitled to vote so requires, a voting on the appointment, suspension and dismissal of persons shall be held by means of sealed, unsigned ballots.
- 24.4. In a tie vote the proposal shall have been rejected.
- 24.5. Shareholders may be represented at a meeting by a proxy authorised in writing.
- 24.6. Members of the Executive Board as well as supervisory directors shall be authorised to attend general meetings and as such they have an advisory vote at the general meetings.
- 24.7. Shareholders may adopt any resolutions which they could adopt at a meeting, without holding a meeting, provided that the Executive Board have prior knowledge of such a resolution.
Such a resolution shall only be valid if all shareholders entitled to vote have cast their votes in writing, by telex, by telefax or by telecopier in favour of the proposal concerned. Those shareholders shall forthwith notify the Executive Board and the chairman of the supervisory director of the resolution so adopted.

FINANCIAL REPORTING

Financial year. Annual accounts.

Article 25.

- 25.1. The financial year shall coincide with the calendar year.
- 25.2. Annually, within five (5) months of the end of each financial year - save where this period is extended by a maximum of six (6) months by the general meeting on the basis of special circumstances - the Executive Board shall prepare annual accounts and shall make these available at the office of the company for inspection by the shareholders. The annual accounts shall be accompanied by the auditor's certificate, referred to in article 26, if the instructions referred to in that article have been given, by the annual report, unless section 2:391 of the Dutch Civil Code does not apply to the company and by the additional information referred to in section 2:392 subsection 1 of the Dutch Civil Code, insofar as the provisions of that subsection apply to the company. The annual accounts shall be signed by all members of the Executive Board and all supervisory directors. If the signature of one or more of them is lacking, this shall be disclosed, stating the reasons thereof. The Executive Board shall send the annual accounts to the works council.
- 25.3. The company shall ensure that the annual accounts as adopted, the annual report and the additional information referred to in paragraph 2 of this article shall be available at the office of the company from the day of the notice of the general meeting at which they are to be discussed.
The shareholders may inspect the above mentioned documents at the offices of the company and obtain a copy thereof at no cost.
- 25.4. The annual accounts are adopted by the general meeting.

- 25.5. If the company, in conformity with article 26 paragraph 1, is required to instruct an auditor to audit the annual accounts and the supervisory board and/or the general meeting have not been able to review the auditor's certificate, then the annual accounts may not be adopted, unless the additional information referred to in the second sentence of paragraph 2 of this article, mentions a legal ground why such certificate is lacking.

Auditor.

Article 26.

- 26.1. The company may instruct an auditor, as referred to in section 2:393 of the Dutch Civil Code, to audit the annual accounts prepared by the Executive Board in accordance with subsection 3 of that section, provided however that the company must give such instructions if the law so requires.
- If the law does not require that the instructions mentioned in the preceding sentence be given, the company may also instruct another expert to audit the annual accounts prepared by the Executive Board; such expert shall hereinafter also be referred to as: the auditor.
- The general meeting shall be authorised to give the instructions referred to above. If the general meeting fails to give the instructions, the supervisory board shall be authorised to do so. If the supervisory board also fails to give such instructions the Executive Board shall be authorised to do so.
- The instructions given to the auditor may be revoked at any time by the general meeting or by whoever gave the instructions. If furthermore the instructions were given by the Executive Board the supervisory board may revoke these instructions.
- The auditor shall report on his audit to the supervisory board and shall issue a certificate containing the results of the audit.
- 26.2. The Executive Board as well as the supervisory board may instruct the auditor or any other auditor to carry out assignments at the expense of the company.

RESERVES AND DISTRIBUTIONS.

Reserves.

Article 27.

- 27.1. The company may attribute to the shares that part of the reserves as the Executive Board, subject to the approval of the supervisory board, deems necessary. The reservation policy of the company is adopted by the general meeting at the proposal of the Executive Board which proposal is subject to the approval of the supervisory board.
- 27.2. Distributions payable out of the reserves as referred to in paragraph 1 of this article may be made at the proposal of the Executive Board, which proposal is subject to the approval of the supervisory board, pursuant to a resolution of the general meeting. The general meeting may decide to terminate the reserves at the proposal of the Executive Board, which proposal is subject to the approval of the supervisory board.
- 27.3. The offset of a deficit against the reserves stated by law or these articles can only be performed if the law or these articles allow such offset.

Profit and loss.

Article 28.

- 28.1. Distribution of profits pursuant to this article shall take place after the adoption of the annual accounts which show that the distribution is allowed.
- 28.2. The profits shall be at the free disposal of the general meeting. In a tie vote regarding distribution or reservation of profits, the profit referring to the proposal is reserved.
- 28.3. The company may make distributions to shareholders and other persons entitled to distributable profits only to the extent that its shareholders' equity exceeds the sum of its issued share capital and the reserves to be maintained by law.

Dividend. Availability for payment. Distributions of reserves. Interim dividend.

Article 29.

- 29.1. Dividends shall be due and payable four (4) weeks after they have been declared, unless the general meeting determines another date at the proposal of the Executive Board, which proposal requires the approval of the supervisory board.
- 29.2. Dividends which have not been collected within five (5) years after the day on which they became due and payable shall revert to the company.
- 29.3. The general meeting may resolve that dividends and other distributions shall be distributed in whole or in part in a form other than cash on the proposal of the Executive Board, which proposal is subject to the approval of the supervisory board.
- 29.4. Without prejudice to article 27, paragraph 2 and article 28, paragraph 3, the general meeting may resolve to distribute all or any part of the reserves at the proposal of the Executive Board which proposal is subject to the approval of the supervisory board.
- 29.5. Distributions payable out of the reserves are made *pro rata to* shareholding.
- 29.6. Without prejudice to article 28 paragraph 3, an interim dividend shall be distributed out of the profits made in the current financial year if the general meeting so determines at the proposal of the Executive Board, which is subject to approval of the supervisory board.

EXTRAORDINARY RESOLUTIONS

Amendment of articles of association. Dissolution.

Article 30.

- 30.1. Resolutions to amend the articles of association or to dissolve the company may only be adopted by the general meeting by proposal of the Executive Board. A resolution to amend the articles 16, paragraph 1, 17, paragraph 1, 2, 4 and 5 is subject to the prior approval of the supervisory board and the works council.
- 30.2. The notice of the meeting, at which a proposal to amend the articles of association or to dissolve the company is to be discussed, must state this.
A copy of a proposal to amend the articles of association, including the verbatim text of the proposed amendment, must be deposited for the inspection of the shareholders at the office of the company from the day of the notice of the meeting until the end of the meeting.
A copy of the proposal shall be made available to them at no cost.

Liquidation.

Article 31.

- 31.1. If the company is dissolved pursuant to a resolution of the general meeting, the Executive Board shall become the liquidators of its property, under the supervision of

the supervisory board if and to the extent that the general meeting shall not appoint one or more other liquidators.

- 31.2. The general meeting shall determine the remuneration of the liquidators and its supervisors.
- 31.3. The liquidation shall take place with due observance of the provisions of law. During the liquidation period these articles of association shall, to the extent possible, remain in full force.
- 31.4. The balance of the assets of the company remaining after all liabilities have been paid shall be distributed among the shareholders in proportion to their holding of shares.
- 31.5. After the company has ceased to exist, its books, records and other data carriers shall for a period of seven (7) years remain in the custody of the person designated for that purpose by the liquidators.