



## Board of Management Rules

### Signify N.V.

#### Definitions

<b>Articles of Association</b>	: the articles of association of the Company;
<b>Board of Management</b>	: the board of management of the Company;
<b>CEO</b>	: the chief executive officer of the Company;
<b>Conflict of Interest</b>	: a direct or indirect personal interest that conflicts with the interests of the Company in the meaning of section 2:129 paragraph 6 of the Dutch Civil Code or a conflict of interest as described in the Dutch Corporate Governance Code;
<b>Company</b>	: Signify N.V.;
<b>Deputy General Secretary</b>	: a deputy general secretary appointed in accordance with article 5.4;
<b>Dutch Corporate Governance Code</b>	: the code referred to in section 2:391 paragraph 5 of the Dutch Civil Code;
<b>General Meeting</b>	: the corporate body that consists of shareholders and all other persons with meeting rights / the meeting in which the shareholders and all other persons with meeting rights assemble;
<b>General Secretary</b>	: the general secretary appointed in accordance with article 5.1;
<b>Group</b>	: the Company and the companies and enterprises that belong to the Company's group;
<b>Inside Information</b>	: inside information as defined in the Company's rules of conduct;
<b>Related Party Transactions Policy</b>	: the policy included in the Annex to these Rules;
<b>Rules</b>	: these rules of the Board of Management;
<b>Securities</b>	: amongst others, shares, debt instruments and derivatives and other financial instruments linked to such shares or debt instruments;
<b>Supervisory Board</b>	: the supervisory board of the Company;
<b>Vice-Chairman</b>	: the vice-chairman of the Board of Management.

## Duties and responsibilities of the Board of Management

### Article 1

- 1.1 The Board of Management is entrusted with the management of the Group.
- 1.2 The Board of Management is responsible for the continuity of the Company and the business of the Group. The Board of Management focuses on long-term value creation for the Company and the business of the Group and takes the relevant stakeholders' interests into account.
- 1.3 In fulfilling their duties, the Board of Management shall be guided by the interests of the Company and the business of the Group.
- 1.4 The responsibilities of the Board of Management include:
  - a. setting the Company's management agenda;
  - b. enhancing the performance of the Group;
  - c. developing a general strategy and taking into account the opportunities and risks connected to the Group's business activities;
  - d. identifying and managing the risks associated with the Company's strategy and activities;
  - e. determining and pursuing operational and financial objectives;
  - f. ensuring that internal procedures are established and maintained which safeguard that all relevant information is timely known to the Board of Management and the Supervisory Board;
  - g. structuring and managing systems of internal business controls;
  - h. ensuring adequate financial reporting processes by the Group;
  - i. compliance by the Group with applicable laws and regulations;
  - j. compliance with and maintaining the corporate governance structure of the Group;
  - k. the publication by the Company of any information required by applicable laws and regulations;
  - l. preparing the Company's annual accounts, the annual budget and significant capital expenditures;
  - m. monitoring corporate social responsibility issues;
  - n. establishing, embedding and maintaining values for the Company and the business of the Group that contribute to a culture focused on long-term value creation; and
  - o. stimulating openness and accountability within the Board of Management and between the different corporate bodies within the Company.

## Chairman of the Board of Management; Vice-Chairman; Composition; Outside positions

### Article 2

- 2.1 The Supervisory Board appoints one of the members of the Board of Management as CEO. The CEO is the chairman of the Board of Management. In addition, the Supervisory Board may appoint one of the members of the Board of Management as CFO (*chief financial officer*) to specifically oversee the Company's financial affairs. If the Supervisory Board does not appoint one of the

- members of the Board of Management as CFO, the Board of Management may appoint a CFO who is not a member of the Board of Management, subject to the approval of the Supervisory Board.
- 2.2 At the proposal of the CEO, who must consult the other members of the Board of Management before making such a proposal, the Supervisory Board may appoint one member of the Board of Management to serve as Vice-Chairman.
- 2.3 The members of the Board of Management are appointed, suspended and dismissed by the General Meeting. The members of the Board of Management can also be suspended by the Supervisory Board.
- 2.4 The Supervisory Board determines the remuneration of each member of the Board of Management.
- 2.5 A member of the Board of Management informs the chairman of the Supervisory Board before accepting any position outside the Company. A member of the Board of Management may not accept a position as member of a supervisory board, non-executive director or a similar position at a company or institution without the prior approval of the Supervisory Board.

### Delegation of authorities of the members of the Board of Management

#### Article 3

- 3.1 With the approval of the Supervisory Board, the members of the Board of Management may divide their tasks among themselves.
- 3.2 The Board of Management may delegate certain authorities to individual members of the Board of Management or to certain committees consisting of one or more members of the Board of Management assisted by staff officers.

### Adoption of resolutions and meetings of the Board of Management

#### Article 4

- 4.1 Where possible, resolutions of the Board of Management are adopted by unanimous vote. Where this is not possible, resolutions of the Board of Management are adopted by a majority vote of the members of the Board of Management present or represented and require the affirmative vote of the CEO. Each member of the Board of Management has one vote. If there are more than two members of the Board of Management in office and entitled to vote, the CEO shall have a casting vote in the event of a tie of votes within the Board of Management. In other cases, the proposal shall be deemed rejected in case of a tie of votes within the Board of Management.
- 4.2 Upon a proposal by or on behalf of the CEO or the Vice-Chairman, resolutions of the Board of Management may also be adopted in writing if:
- the proposal has been sent to all members;
  - no member has objected to adopting the resolution in writing; and
  - the majority of the members of the Board of Management entitled to vote, have expressed themselves in favour of the proposed resolution.

Article 4.1 applies accordingly to resolutions adopted in writing.

The (Deputy) General Secretary of the Board of Management will record in writing the resolution of the Board of Management and have this document signed by two members of the Board of Management.

- 4.3 In case of a Conflict of Interest with respect to a member of the Board of Management, the requirements set out in articles 4.1 and 4.2 remain applicable to the non-conflicted members. A conflicted member must not be taken into account when calculating a quorum or majority requirement and the affirmative vote of the CEO shall not be required if the CEO has a Conflict of Interest. If all members of the Board of Management have a Conflict of Interest, the Board of Management cannot adopt the resolution. If the Board of Management is unable to come to a decision as a result of this provision, the decision-making will be referred to the Supervisory Board.
- 4.4 The Board of Management meets in accordance with a schedule for its meetings adopted yearly at the latest in the last scheduled meeting of the preceding year. Furthermore, the Board of Management must meet whenever the CEO (or, in his absence, the Vice-Chairman) has called a meeting. Meetings are called in writing. The invitation must contain the agenda. Each member can suggest items for the agenda. The agenda and accompanying materials must be sent to the members in good time before any meeting. The meetings are generally held at the offices of the Company in Amsterdam or Eindhoven, but may also take place elsewhere. Members may participate by telephone, videoconference or other electronic forms of direct communication.
- 4.5 Meetings of the Board of Management are chaired by the CEO or in his absence or non-ability to act, by the Vice-Chairman. If neither of them is present, the meetings will be chaired by one of the members of the Board of Management designated by the CEO, or, in the absence of such designation, by the most senior member of the Board of Management present.
- 4.6 If a member of the Board of Management cannot attend a meeting, he may give a proxy to another member of the Board of Management.
- 4.7 The minutes of a Board of Management meeting will be adopted in the next meeting of the Board of Management. Adopted minutes evidence the proceedings and resolutions adopted. Extracts of the minutes can be sent to committees, business units, departments, staff and third parties, where relevant.
- 4.8 The minutes or written resolutions, in the wording in which they have been adopted, or extracts can be certified by the General Secretary or the Deputy General Secretary.
- 4.9 Annex I to the Supervisory Board Rules sets out the resolutions of the Board of Management that are subject to approval of the Supervisory Board. In addition, the Supervisory Board may make such other resolutions as it deems desirable subject to its approval. These resolutions will be clearly specified and communicated in writing to the Board of Management.

## Duties and responsibilities of the General Secretary of the Company

### Article 5

- 5.1 The Company will have a General Secretary. The General Secretary, either on the recommendation of the Supervisory Board or otherwise, is appointed and dismissed by the Board of Management, after the approval of the Supervisory Board has been obtained.
- 5.2 The General Secretary supports the Board of Management. The responsibilities of the General Secretary include:
- a. seeing to it that correct procedures are followed and that the Board of Management acts in accordance with its obligations under the law, regulations and the Articles of Association;
  - b. advising the Board of Management on governance matters as well as on corporate legal and regulatory compliance matters;
  - c. facilitating the provision of information to the Board of Management;
  - d. supporting the Board of Management in the organization of the affairs of the Board of Management;
  - e. attending of all meetings of the Board of Management. The General Secretary may also attend meetings of committees of the Board of Management, unless the Board of Management or respective committee resolves otherwise;
  - f. keeping records of minutes of meetings and written resolutions.
- 5.3 If the General Secretary also undertakes work for the Supervisory Board and identifies that the interests of the Board of Management and the Supervisory Board diverge resulting in a lack of clarity as to which interests the General Secretary represents, the General Secretary reports this to the chairman of the Supervisory Board.
- 5.4 The Board of Management may appoint one or more Deputy General Secretaries.
- 5.5 The General Secretary of the Board of Management will keep records of minutes of meetings of the Board of Management and written resolutions for as long as determined by the Board of Management from time to time while observing the statutory period.

## Relationship of the Board of Management with the Supervisory Board

### Article 6

- 6.1 Members of the Board of Management will attend the meetings of the Supervisory Board if invited.
- 6.2 The Board of Management must report to the Supervisory Board on the course of business of the Group and must provide the Supervisory Board and its committees in due time with any information the members of the Supervisory Board and its committees may need for the performance of their duties or as reasonably requested by the Supervisory Board.
- 6.3 The CEO, and if and when required the other members of the Board of Management, will have regular contact with the members of the Supervisory Board and its chairman.

## Trading in Securities by the members of the Board of Management

### Article 7

- 7.1 If any member of the Board of Management holds shares in the share capital of the Company, this will be for the purpose of long-term investment; members of the Board of Management will refrain from short-term transactions in the Securities.
- 7.2 With respect to the Company Securities, members of the Board of Management are bound to the rules with respect to Inside Information and must at all times comply with all Dutch and foreign statutory provisions and regulations, including notification requirements applicable to the ownership of and transactions related to Securities.
- 7.3 With respect to transactions related to Securities in any of the companies belonging to the peer group of leading multinational lighting companies as determined by the Supervisory Board and published in the Company's management commentary, members of the Board of Management are prohibited from trading, directly or indirectly, during blocked periods - with respect to Inside Information - preceding the disclosure of the Company's figures. However, the prohibition referred to in the previous sentence does not apply if the relevant member of the Board of Management has transferred the discretionary management of his/her securities portfolio to an independent third party by means of a written mandate agreement.
- 7.4 Each member of the Board of Management must provide any information to the Company as is necessary to enable the Company to comply with applicable laws and regulations, including the rules of any stock exchange on which the Company is listed.

## Conflict of Interest

### Article 8

- 8.1 Any Conflict of Interest between the Company and a member of the Board of Management must be prevented.
- 8.2 A member of the Board of Management shall not participate in the decision-making and deliberation process on a subject or transaction in relation to which such member has a Conflict of Interest.  
A transaction as referred to above must be concluded on terms customary in the sector concerned and must be approved by the Supervisory Board.
- 8.3 Each member of the Board of Management must immediately report any (potential) Conflict of Interest to the chairman of the Supervisory Board. Each member of the Board of Management with a (potential) Conflict of Interest must provide all information relevant to that conflict, including the information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 8.4 The Supervisory Board, without the concerned member of the Board of Management being present, will determine whether a reported (potential) Conflict of Interest qualifies as a Conflict of Interest which article 8.2 applies to or to which article 8.2 in its opinion should be applied in a similar way.

---

**Board of Management Rules**

- 8.5 In the event of a possible Related Party Transaction (as defined in the Related Party Transactions Policy), the rules of procedure as set out in the Related Party Transactions Policy must be applied.
- 8.6 Transactions as referred to in article 8.2 must be mentioned in the Company's management commentary for the financial year in question.

**Status and contents of these Rules****Article 9**

- 9.1 These Rules are complementary to the rules and regulations from time to time applicable to the Board of Management under Dutch law or the Articles of Association. Where these Rules are inconsistent with Dutch law or the Articles of Association, these Rules shall not apply.
- 9.2 These Rules may be supplemented and modified by the Board of Management at any time, subject to the approval of the Supervisory Board.
- 9.3 Save as otherwise provided in the Articles of Association or by Dutch law, the Board of Management may in exceptional cases, as the circumstances may require, at its discretion decide to deviate from these Rules.

**Governing law****Article 10**

These Rules are governed by and to be construed in accordance with the laws of the Netherlands.

## ANNEX

### RELATED PARTY TRANSACTIONS POLICY

#### 1 SCOPE AND DEFINITIONS

##### 1.1 Scope

This policy implements best practices regarding transactions between the Company and legal or natural persons who hold at least 10% of the ordinary shares in the Company and that are of material significance for the Company and/or to such persons (a "**Related Party Transaction**"). This policy applies to each Related Party Transaction as well as any material amendment to an existing Related Party Transaction.

This policy is complementary to the provisions of the Dutch Corporate Governance Code (on a comply or explain basis), applicable law and regulations, the articles of association of the Company, the Supervisory Board Rules and the Board of Management Rules.

For the purposes of this policy a Transaction entered into by a Group Company of the Company shall be considered a Transaction entered into by the Company and a transaction entered into by a Group Company of a Related Party shall be considered a Transaction entered into by that Related Party.

##### 1.2 Definitions and construction

The definitions and provisions in the Annex shall apply throughout this policy.

#### 2 PROCEDURE

##### 2.1 Approval of Related Party Transactions

No Related Party Transaction shall be consummated without the approval of the Supervisory Board.

##### 2.2 Notification of Related Party Transactions

2.2.1 Each member of the Board of Management shall promptly notify the chairman of the Board of Management of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of. The chairman of the Board of Management shall in turn notify the chairman of the Supervisory Board. The chairman of the Board of Management shall notify the chairman of the Supervisory Board directly in respect of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of.

2.2.2 Each member of the Supervisory Board shall promptly notify the chairman of the Supervisory Board of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of. If the chairman of the Supervisory Board is an Interested Party to any (potential) Related Party Transaction or becomes otherwise aware of any (potential) Related Party Transaction, he shall promptly notify the vice-chairman of the Supervisory Board.

2.2.3 The Supervisory Board shall decide whether the Transaction concerned qualifies as a Related Party Transaction.





### 2.3 Review of Related Party Transactions

- 2.3.1 (Potential) Related Party Transactions shall be subject to review by the Supervisory Board.
- 2.3.2 Members of the Supervisory Board who qualify as Interested Party shall not participate in the discussion or decision making regarding the (potential) Related Party Transaction concerned.
- 2.3.3 The Supervisory Board shall review all relevant information available to it concerning the (potential) Related Party Transaction. The Supervisory Board may approve the Related Party Transaction only if it determines in good faith that the Related Party Transaction is fair as to the Company.
- 2.3.4 A Related Party Transaction that involves the delivery of goods or services shall only be approved if such Transaction is on terms that are customary for arm's-length Transactions.
- 2.3.5 Before approving the Related Party Transaction, the Supervisory Board shall review and consider:
- a. the Interested Party's interest in the Related Party Transaction;
  - b. the value of the Related Party Transaction;
  - c. the value (positive or negative) of the Interested Party's interest in the Related Party Transaction;
  - d. whether the Related Party Transaction is undertaken in the ordinary course of business of the Company;
  - e. whether the proposed terms of the Related Party Transaction are no less favourable to the Company than terms that could have been reached with an unrelated third party;
  - f. the purpose of, and the potential benefits to the Company of the Related Party Transaction;
  - g. required public disclosure, if any, and
  - h. any other information regarding the Related Party Transaction or the Interested Party in the context of the proposed Related Party Transaction that would be material to stakeholders of the Company in light of the circumstances of the Related Party Transaction.
- 2.3.6 In conducting its review, the Supervisory Board may obtain information from members of the Board of Management, employees and external advisors of the Company.
- 2.3.7 If a Transaction has a recurring nature or the Company enters into Transactions with a certain Related Party on a regular basis, the Supervisory Board may establish further guidelines or procedures to follow in its review of such Transactions.
- 2.3.8 If a Related Party Transaction has not been approved under this policy prior to its consummation (nor been rejected at an earlier stage), the Supervisory Board shall consider all relevant facts and circumstances regarding the Related Party transaction in accordance with clause 2.3 and shall on the basis thereof evaluate all options available to the Company, including ratification (*bekrachtiging*), revision (*wijziging*) or termination (*ontbinding*) of the Related Party Transaction. The Supervisory Board shall also examine the facts and circumstances pertaining to the failure of reporting of such Related Party Transaction under this policy and shall take any such action it deems appropriate.

2.3.9 The absence of the approval under this policy, shall not affect the representative authority of the Board of Management or its members.

### **3 PRE-APPROVED RELATED PARTY TRANSACTIONS**

3.1 The following Transactions shall be deemed to have been approved by the Supervisory Board if they qualify as a Related Party Transaction:

- (i) any Transaction where the Interested Party's interest arises solely from the ownership of the Company's ordinary shares and all holders of ordinary shares receive the same benefit on a pro rata basis (e.g. dividends), and
- (ii) any other Transaction designated as such by the Supervisory Board.

3.2 The Board of Management shall notify the chairman of the Supervisory Board of the consummation of pre-approved Related Party Transactions on a monthly basis. This notification shall include a description of the pre-approved Related Party Transactions, the value thereof and all other information that may be relevant.

### **4 DISCLOSURE**

Related Party Transactions shall be disclosed to the extent required under Dutch law, the Dutch Corporate Governance Code, applicable accounting standards or other applicable Dutch or foreign regulations . For the avoidance of doubt, the review or approval of a Transaction pursuant to this policy does not necessarily imply that such Transaction is required to be disclosed.

## Annex to Related Party Transactions Policy

### Definitions and interpretation

**Board of Management** means the board of management of the Company.

**Company** means Signify N.V.

**Dutch Corporate Governance Code** means the code referred to in section 2:391 paragraph 5 of the Dutch Civil Code.

**Group Company** means a group company within the meaning of section 2:24b of the Dutch Civil Code.

**Interested Party** means the Related Party and,

(a) in case the counterparty is a legal entity, any officer, employee, executive director or supervisory director of such counterparty, or

(b) in case the counterparty is a natural person, any relative of such counterparty,

that is also a member of the Supervisory Board or Board of Management.

**Related Party** means the counterparty to the Company in the Related Party Transaction.

**Related Party Transaction** has the meaning given to it in Clause 1.1.

**Supervisory Board** means the supervisory board of the Company.

**Transaction** means any kind of transaction, arrangement, legal proceeding or other kind of legal relationship, all in the broadest sense.