

Corporate Governance Code 8 December 2016

| | Principle | Position | Explanation when deviating |
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| outline | The broad outline of the Company's corporate governance is set out each year in a separate chapter of the management report or published on the Company's website. Here the Company explicitly states the extent to which it complies with the principles and best practice provisions stipulated in this code and, where it does not comply with them, why and to what extent it deviates from them. | Outline published on the Company's website. Deviations also explained in the Corporate Governance section of the management report in the Company's annual reports. | |
| LONG-TERM VALUE CREATION | | | |
| 1.1 Long-term value creation. The management board is responsible for the continuity of the company and its affiliated enterprise. The management board focuses on long-term value creation for the company and its affiliated enterprise and takes into account the stakeholder interests that are relevant in this context. The supervisory board monitors the management board in this. | | | |
| 1.1.1 | <p>Long-term value creation strategy. The management board should develop a view on long-term value creation by the company and its affiliated enterprise and should formulate a strategy in line with this. Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy. When developing the strategy, attention should in any event be paid to the following:</p> <ul style="list-style-type: none"> - The strategy's implementation and feasibility; - The business model applied by the company and the market in which the company and its affiliated enterprise operate; - Opportunities and risks for the company; - The company's operational and financial goals and their impact on its future position in relevant markets; - The interests of the stakeholders; and - Any other aspects relevant to the company and its affiliated enterprise, such as the | Sif supplies mission critical tubular steel foundations to the offshore wind and oil & gas industry. Over the past 20 years the Company has achieved a leading position as a manufacturer of very large foundations and components. The Company has invested in modernization of existing facilities and newbuild of an assembly factory close to shore to maintain this leading position and to diversify into different geographical markets or with different products and services into existing markets. The Company's strategy is aimed at the pursuit of an earlier project- involvement; to become a total solutions partner for steel foundations and components for offshore energy production | |

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| | environment, social and employee-related matters, the chain within the enterprise operates, respect for human rights, and fighting corruption and bribery. | <p>The company wants to develop products (in existing markets), and expand markets (with existing products) to secure a sustainable long term leading market position</p> <p>Executing this strategy will create long term value for the Company's stakeholders.</p> | |
| 1.1.2 | Involvement of the supervisory board. The management board should engage the supervisory board early on in formulating the strategy for realizing long-term value creation. The management board renders account to the supervisory board of the strategy and the explanatory notes to that strategy. | Annually Executive and Supervisory Boards discuss the Company's strategy during a one day off- site meeting. Strategy is on the agenda of the remaining 5 Supervisory Board meetings. | |
| 1.1.3 | Role of the supervisory board. The supervisory board should supervise the manner in which the management board implements the long term value creation strategy. The supervisory board should regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it. In the report drawn up by the supervisory board, an account is given of its involvement in the establishment of the strategy, and the way in which it monitors its implementation. | Refer to the Report of the Supervisory Board in the annual reports of the Company. | |
| 1.1.4 | Accountability of the management board. In the management report, the management board should give a more detailed explanation of its view on long-term value creation and the strategy for its realization, as well as describing which contributions were made to long-term value creation in the past financial year. The management board should report on both the short-term and long-term developments. | Refer to the Report of the Executive Board in the annual reports of the Company. | |

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| 1.2 Risk management | | | |
| 1.2.1 | Risk assessment. The management board should identify and analyse the risks associated with the strategy and activities of the company and its affiliated enterprise. It is responsible for establishing the risk appetite, and also the measures that are put in place in order to counter the risks being taken | Risks, risk management and risk appetite are reported in the Report of the Executive Board in the annual reports of the Company. Risk management is on the agenda for Audit Committee and Supervisory Board meetings | |
| 1.2.2 | Implementation. Based on the risk assessment, the management board should design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the company and its affiliated enterprise it, and should be familiar to those whose work they are relevant to. | Refer to the risk paragraph in the Report of the Executive Board in annual reports of the Company | |
| 1.2.3 | Monitoring of effectiveness. The management board should monitor the operation of the internal risk management and control systems and should carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring should cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention should be given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements should be made to internal risk management and control systems. | Risks and risk mitigation measures are defined. In annual reports the Executive Board reports on the progress on these mitigation measures. | |
| 1.3 Internal audit function | | | |
| 1.3.1 | Appointment and dismissal. The management board both appoints and dismisses the senior internal auditor. Both the appointment and the dismissal of the | The Company has not appointed an internal auditor. | NON COMPLIANT. Given the size of Sif and the functioning of the corporate bodies it is not considered opportune at |

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| | senior internal auditor should be submitted to the supervisory board for approval, along with the recommendation issued by the audit committee. | | this stage to appoint an internal auditor or to set up a separate audit department. This is remedied by certain financial and operational audit activities and carried out by internal and/or external parties on an ad hoc basis. Designated employees with external support carry out other audits |
| 1.3.2 | Assessment of the internal audit function. The management board should assess the way in which the internal audit function fulfils its responsibility annually, taking into account the audit committee's opinion. | The Company has not appointed an internal auditor | Refer to 1.3.1 |
| 1.3.3 | Internal audit plan. The internal audit function should draw up an audit plan, involving the management board, the audit committee and the external auditor in this process. The audit plan should be submitted to the management board, and then to the supervisory board, for approval. In this internal audit plan, attention should be paid to the interaction with the external auditor. | The internal audit plan is drawn up by CFO and control- function in close interaction with the external auditor of the Company since it did not appoint an internal auditor. | Refer to 1.3.1 |
| 1.3.4 | Performance of work. The internal audit function should have sufficient resources to execute the internal audit plan and have access to information that is important for the performance of its work. The internal audit function should have direct access to the audit committee and the external auditor. Records should be kept of how the audit committee is informed by the internal audit function. | The Company has not appointed an internal auditor | Refer to 1.3.1 |
| 1.3.5 | Reports of findings. The internal audit function should report its audit results to the management board and the essence of its audit results to the audit committee and should inform the external auditor. The research | The Company has not appointed an internal auditor | Report is made by the external auditor. |

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| | findings of the internal audit function should, at least, include the following: i. any flaws in the effectiveness of the internal risk management and control systems; ii. any findings and observations with a material impact on the risk profile of the company and its affiliated enterprise; and iii. any failings in the follow-up of recommendations made by the internal audit function. | | |
| 1.3.6 | Absence of an internal audit department. If there is no separate department for the internal audit function, the supervisory board will assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the audit committee, and will consider whether it is necessary to establish an internal audit department. The supervisory board should include the conclusions, along with any resulting recommendations and alternative measures, in the report of the supervisory board. | Refer to the Report of the Supervisory Board in the annual reports of the Company | |
| 1.4 Risk management accountability | | | |
| 1.4.1 | Accountability to the supervisory board. The management board should discuss the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3 inclusive with the audit committee, and render account of this to the supervisory board. | Risk management is on the agenda of the Audit Committee and the Supervisory Board meetings. Refer to article 4.1.a of the Rules of the Audit Committee. | |
| 1.4.2 | Accountability in the management report. In the management report, the management board should render account of: i. the execution of the risk assessment, with a description of the principal risks facing the company in | Refer to the Report of the Executive Board in the annual reports of the Company. | |

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| | <p>relation to its risk appetite. These risks may include strategic, operational, compliance and reporting risks;</p> <p>ii. the design and operation of the internal risk management and control systems during the past financial year;</p> <p>iii. any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the audit committee and the supervisory board; and</p> <p>iv. the sensitivity of the results of the company to material changes in external factors.</p> | | |
| 1.4.3 | <p>Statement by the management board. The management board should state in the management report, with clear substantiation, that:</p> <p>i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;</p> <p>ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;</p> <p>iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and</p> <p>iv. the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.</p> | Refer to the Report of the Executive Board in annual reports of the Company. | |
| 1.5 Role of the supervisory board | | | |

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| 1.5.1 | <p>Duties and responsibilities of the audit committee. The audit committee undertakes preparatory work for the supervisory board’s decision-making regarding the supervision of the integrity and quality of the company’s financial reporting and the effectiveness of the company’s internal risk management and control systems. Among other things, it focuses on monitoring the management board with regard to:</p> <ul style="list-style-type: none"> i. relations with, and compliance with recommendations and following up of comments by, the internal and external auditors; ii. the funding of the company; iii. the application of information and communication technology by the company, including risks relating to cybersecurity; and iv. the company’s tax policy. | Refer to the Rules of the Audit Committee. | |
| 1.5.2 | <p>Attendance of the management board, internal auditor and external auditor at audit committee Consultations. The chief financial officer, the internal auditor and the external auditor should attend the audit committee meetings, unless the audit committee determines otherwise. The audit committee should decide whether and, if so, when the chairman of the management board should attend its meetings.</p> | CFO & external accountant are invited to Audit Committee meetings unless Audit Committee decides differently. CEO is invited on an ad hoc basis. | |
| 1.5.3 | <p>Audit committee report. The audit committee should report to the supervisory board on its deliberations and findings. This report must, at least, include the following information:</p> <ul style="list-style-type: none"> i. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3, inclusive; | Audit Committee meets at least four times each year and reports to every subsequent Supervisory Board meeting on the discussions during the meetings of the Audit Committee. | |

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| | <p>ii. the methods used to assess the effectiveness of the internal and external audit processes;</p> <p>iii. material considerations regarding financial reporting;</p> <p>iv. the way material risks and uncertainties referred to in best practice provision 1.4.3 have been analysed and discussed, along with a description of the most important findings of the audit committee.</p> | | |
| 1.5.4 | <p>Supervisory board. The supervisory board should discuss the items reported on by the audit committee as per of best practice provision 1.5.3.</p> | <p>Audit Committee reports on its findings at the start of each meeting of the Supervisory Board.</p> | |
| <p>1.6 Appointment and assessment of the functioning of the external auditor</p> | | | |
| 1.6.1 | <p>Functioning and appointment. The audit committee should report annually to the supervisory board on the functioning of, and the developments in, the relationship with the external auditor. The audit committee should advise the supervisory board regarding the external auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the external auditor. The audit committee should give due consideration to the management board's observations during the aforementioned work. Also on this basis, the supervisory board should determine its nomination for the appointment of the external auditor to the general meeting.</p> | <p>At least once each year the functioning of the external auditor is discussed in Audit Committee and subsequent Supervisory Board meeting.</p> | |
| 1.6.2 | <p>Informing the external auditor about their functioning. The supervisory board should give the external auditor a general idea of the content of the reports relating to their functioning.</p> | <p>In an annual meeting the functioning of the external auditor is discussed in Audit Committee and Supervisory Board meetings. And subsequently reported to the external auditor</p> | |
| 1.6.3 | <p>Engagement. The audit committee should submit a proposal to the supervisory board for the external</p> | <p>Engagement of the external auditor is on the agenda for the Audit</p> | |

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| | auditor's engagement to audit the financial statements. The management board should play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be used and remuneration for the audit. The supervisory board should resolve on the engagement. | Committee meeting. Audit Committee makes recommendations to the Supervisory Board (refer to 4.1.g of the Audit Committee Rules. | |
| 1.6.4 | Accountability. The main conclusions of the supervisory board regarding the external auditor's nomination and the outcomes of the external auditor selection process should be communicated to the general meeting. | Appointment of the external auditor is on the AGM agenda. | |
| 1.6.5 | Departure of the external auditor. The company should publish a press release in the event of the early termination of the relationship with the external audit firm. The press release should explain the reasons for this early termination. | Sif complies | |
| 1.7 Performance of the external auditor's work | | | |
| 1.7.1 | Provision of information to the external auditor. The management board should ensure that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The management board should give the external auditor the opportunity to respond to the information that has been provided. | External auditor has access to all documents at all times. Including but not limited to minutes of meetings of Audit Committee and Supervisory Board. External auditor also has access to Audit Committee and Supervisory Board members. | |
| 1.7.2 | Audit plan and external auditor's findings. The external auditor should discuss the draft audit plan with the management board before presenting it to the audit committee. The audit committee should annually discuss with the external auditor: i. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and | Sif complies | |

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| | ii. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter. | | |
| 1.7.3 | Publication of financial reports. The audit committee should determine whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the financial statements | Article 4.3 Rules of the Audit Committee. External auditor is involved in drafting of financial interim and annual reports and releases. And participates in meetings of Audit Committee and Supervisory Board where these releases are discussed. | |
| 1.7.4 | Consultations with the external auditor outside the management board's presence. The audit committee should meet with the external auditor as often as it considers necessary, but at least once per year, outside the presence of the management board. | Article 4.7 Rules of the Audit Committee. Outside presence of executives is scheduled for March-meetings (once per year at least). External auditor is present at March and August Audit Committee meetings and more often if opportune. | |
| 1.7.5 | Examination of discussion points arising between the external auditor and the management Board. The supervisory board should be permitted to examine the most important points of discussion arising between the external auditor and the management board based on the draft management letter or the draft audit report. | On Supervisory Board meeting for March of each year. Points of discussion are discussed with audit committee. | |
| 1.7.6 | External auditor's attendance of supervisory board meetings The external auditor should in any event attend the meeting of the supervisory board at which the report of the external auditor on the audit of the financial statements is discussed. | Sif complies. External auditor invited to at least March and August meetings of Supervisory Board. | |
| EFFECTIVE MANAGEMENT AND SUPERVISION | | | |
| 2.1 Composition and size | | | |

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| 2.1.1 | <p>Profile. The supervisory board should prepare a profile, taking account of the nature and the activities of the enterprise affiliated with the company. The profile should address:</p> <ul style="list-style-type: none"> i. the desired expertise and background of the supervisory board members; ii. the desired diverse composition of the supervisory board, referred to in best practice provision 2.1.5; iii. the size of the supervisory board; and iv. the independence of the supervisory board members. <p>The profile should be posted on the company's website.</p> | Supervisory Board profile is discussed in meeting preceding the Annual General Meeting of Shareholders. | |
| 2.1.2 | <p>Personal information. The following information about each supervisory board member should be included in the report of the supervisory board:</p> <ul style="list-style-type: none"> i. gender; ii. age; iii. nationality; iv. principal position; v. other positions, in so far as they are relevant to the performance of the duties of the supervisory board member; vi. date of initial appointment; and vii. current term of office. | Sif complies. Supervisory Board member profiles are in the annual reports. | |
| 2.1.3 | <p>Executive committee. If the management board works with an executive committee, the management board should take account of the checks and balances that are part of the two-tier system. This means, among other things, that the management board's expertise and responsibilities are safeguarded and the supervisory board is informed adequately. The supervisory board should supervise this whilst paying</p> | Sif has a two tier system with Supervisory Board and Executive Board but no Executive Committees. | |

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| | <p>specific attention to the dynamics and the relationship between the management board and the executive committee. In the management report, account should be rendered of:</p> <ul style="list-style-type: none"> i. the choice to work with an executive committee; ii. the role, duty and composition of the executive committee; and iii. how the contacts between the supervisory board and the executive committee have been given shape. | | |
| 2.1.4 | <p>Expertise. Each supervisory board member and each management board member should have the specific expertise required for the fulfilment of his duties. Each supervisory board member should be capable of assessing the broad outline of the overall management.</p> | <p>Profiles of all Supervisory and Executive Board members are in the annual reports (article 3.4 Supervisory Board Rules).</p> | |
| 2.1.5 | <p>Diversity policy. The supervisory board should draw up a diversity policy for the composition of the management board, the supervisory board and, if applicable, the executive committee. The policy should address the concrete targets relating to diversity and the diversity aspects relevant to the company, such as nationality, age, gender, and education and work background.</p> | <p>Sif has no explicit diversity policy</p> | <p>NON COMPLIANT. Sif has no explicit diversity policy.</p> |
| 2.1.6 | <p>Accountability about diversity. The corporate governance statement should explain the diversity policy and the way that it is implemented in practice, addressing:</p> <ul style="list-style-type: none"> i. the policy objectives; ii. how the policy has been implemented; and iii. the results of the policy in the past financial year. <p>If the composition of the management board and the supervisory board diverges from the targets stipulated</p> | <p>Refer to 2.1.5</p> | |

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| | <p>in the company's diversity policy and/or the statutory target for the male/female ratio, if and to the extent that this is provided under or pursuant to the law, the current state of affairs should be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved.</p> | | |
| <p>2.1.7</p> | <p>Independence of the supervisory board. The composition of the supervisory board is such that the members are able to operate independently and critically vis-à-vis one another, the management board, and any particular interests involved. In order to safeguard its independence, the supervisory board is composed in accordance with the following criteria:</p> <ul style="list-style-type: none"> i. any one of the criteria referred to in best practice provision 2.1.8, sections i. to v. inclusive should be applicable to at most one supervisory board member; ii. the total number of supervisory board members to whom the criteria referred to in best practice provision 2.1.8 are applicable should account for less than half of the total number of supervisory board members; and iii. for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii. | <p>One Supervisory Board member represents a shareholder as mentioned in 2.1.7-iii. The others are independent.</p> | |

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| 2.1.8 | <p>Independence of supervisory board members. A supervisory board member is not independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:</p> <ul style="list-style-type: none">i. has been an employee or member of the management board of the company (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (Wet op het financieel toezicht/Wft)) 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 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 bank 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 he supervises is a supervisory board member;v. has temporarily performed management duties during the previous twelve months in the absence or | Refer to 2.1.7. Four other members of the Supervisory Board are independent. | |
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| | <p>incapacity of management board members;</p> <p>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;</p> <p>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.</p> | | |
| 2.1.9 | <p>Independence of the chairman of the supervisory board. The chairman of the supervisory board should not be a former member of the management board of the company and should be independent within the meaning of best practice provision 2.1.8.</p> | Sif complies | |
| 2.1.10 | <p>Accountability regarding supervisory board member independence. The report of the supervisory board should state that, in the opinion of the supervisory board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, should also state which supervisory board member(s), if any, it does not consider to be independent.</p> | Included in Report of the Supervisory Board of annual reports. Sif complies. | |
| 2.2 Appointment, succession and evaluation | | | |
| 2.2.1 | <p>Appointment and reappointment periods – management board members. A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The diversity objectives from best practice provision 2.1.5 should be</p> | Article 3.9 of Management Board Rules. Sif complies with maximum periods and prepares reappointments in a timely fashion. | |

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| | considered in the preparation of the appointment or reappointment. | | |
| 2.2.2 | Appointment and reappointment periods – supervisory board members. A supervisory board member is appointed for a period of four years and may then be reappointed once for another four-year period. The supervisory board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the supervisory board. In any appointment or reappointment, the profile referred to in best practice provision 2.1.1 should be observed. | Article 3.3 of the Supervisory Board Rules adjusted (2x4 + 2x2 in stead of 3x4 years). Sif complies. | |
| 2.2.3 | Early retirement. A member of the supervisory board or the management board should retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the supervisory board. In the event of the early retirement of a member of the management board or the supervisory board, the company should issue a press release mentioning the reasons for the departure. | Article 3.6 of Supervisory Board rules. Sif complies. | |
| 2.2.4 | Succession. The supervisory board should ensure that the company has a sound plan in place for the succession of management board and supervisory board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the profile referred to in best practice provision 2.1.1 in drawing up the plan for supervisory board members. The supervisory board should also draw up a retirement schedule in order to avoid, as much as possible, supervisory board | Rotation schedule (article 3.7 of the Supervisory Board rules) is on the website of the company. | |

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| | members retiring simultaneously. The retirement schedule should be published on the company's website. | | |
| 2.2.5 | <p>Duties of the selection and appointment committee. The selection and appointment committee should prepare the supervisory board's decision-making and report to the supervisory board on its deliberations and findings. The selection and appointment committee should in any event focus on:</p> <ul style="list-style-type: none"> i. drawing up selection criteria and appointment procedures for management board members and supervisory board members; ii. periodically assessing the size and composition of the management board and the supervisory board, and making a proposal for a composition profile of the supervisory board; iii. periodically assessing the functioning of individual management board members and supervisory board members, and reporting on this to the supervisory board; iv. drawing up a plan for the succession of management board members and supervisory board members; v. making proposals for appointments and reappointments; and vi. supervising the policy of the management board regarding the selection criteria and appointment procedures for senior management. | Article 10.1 of the Supervisory Board rules. Sif complies. Succession plan recently added to the Rules of the selection and appointment committee (4.1.f.). | |
| 2.2.6 | <p>Evaluation by the supervisory board. At least once per year, outside the presence of the management board, the supervisory board should evaluate its own functioning, the functioning of the various committees of the supervisory board and that of the individual</p> | Evaluation done in November/December 2020 and to be repeated yearly and once every 3 years with external support. Article 4.5 Supervisory Board rules. | |

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| | <p>supervisory board members, and should discuss the conclusions that are attached to the evaluation. In doing so, attention should be paid to:</p> <ul style="list-style-type: none"> i. substantive aspects, the mutual interaction and the interaction with the management board; ii. events that occurred in practice from which lessons may be learned; and iii. the desired profile, composition, competencies and expertise of the supervisory board | | |
| 2.2.7 | <p>Evaluation of the management board.At least once per year, outside the presence of the management board, the supervisory board should evaluate both the functioning of the management board as a whole and that of the individual management board members, and should discuss the conclusions that must be attached to the evaluation, such also in light of the succession of management board members. At least once annually, the management board, too, should evaluate its own functioning as a whole and that of the individual management board members.</p> | Article 4.5.c of the Supervisory Board rules. Sif complies. | . |
| 2.2.8 | <p>Evaluation accountability. The supervisory board's report should state:</p> <ul style="list-style-type: none"> i. how the evaluation of the supervisory board, the various committees and the individual supervisory board members has been carried out; ii. how the evaluation of the management board and the individual management board members has been carried out; and iii. what has been or will be done with the conclusions from the evaluations. | Refer to Report of the Supervisory Board in the annual reports of the company. | |
| 2.3 Organisation of the supervisory board and reports | | | |

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| 2.3.1 | <p>Supervisory board's terms of reference. The division of duties within the supervisory board and the procedure of the supervisory board should be laid down in terms of reference. The supervisory board's terms of reference should include a paragraph dealing with its relations with the management board, the general meeting, the employee participation body (if any) and the executive committee (if any). The terms of reference should be posted on the company's website.</p> | <p>Included in Supervisory Board rules. Relations with:</p> <ul style="list-style-type: none"> - Management: articles 4.4- 4.6 Supervisory Board Rules - Shareholders: articles 5.2- 5.3 Supervisory Board Rules - Works Council: article 5.4 Supervisory Board Rules | |
| 2.3.2 | <p>Establishment of committees. If the supervisory board consists of more than four members, it should appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. Without prejudice to the collegiate responsibility of the supervisory board, the duty of these committees is to prepare the decision-making of the supervisory board. If the supervisory board decides not to establish an audit committee, a remuneration committee or a selection and appointment committee, the best practice provisions applicable to such committee(s) should apply to the entire supervisory board.</p> | <p>Committees are installed in line with article 10.1 of the Supervisory Board Rules and operate on the basis of Rules that are published on the website of the Company.</p> | <p>NON COMPLIANT: Sif has no selection and appointment committee since this is dealt with by the full Supervisory Board.</p> |
| 2.3.3 | <p>Committees' terms of reference. The supervisory board should draw up terms of reference for the audit committee, the remuneration committee and the selection and appointment committee. The terms of reference should indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference should be posted on the company's website.</p> | <p>Rules of 3 committees are published on the website of the Company (Remuneration, Audit and Selection & appointment committees)</p> | |

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| 2.3.4 | <p>Composition of the committees. The audit committee or the remuneration committee should not be chaired by the chairman of the supervisory board or by a former member of the management board of the company. More than half of the members of the committees should be independent within the meaning of best practice provision 2.1.8.</p> | <p>Remuneration Committee and Selection & appointment Committee are compliant. Audit Committee non-compliant (two members of whom one is not independent)</p> | <p>NON COMPLIANT. Half of the members of the audit committee is not independent.</p> |
| 2.3.5 | <p>Committee reports. The supervisory board should receive from each of the committees a report of their deliberations and findings. In the report of the supervisory board it should comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings should be mentioned.</p> | <p>Reports reflected in the Report of the Supervisory Board in the annual reports of the company.</p> | <p>-</p> |
| 2.3.6 | <p>Chairman of the supervisory board. The chairman of the supervisory board should in any case ensure that:</p> <ul style="list-style-type: none"> i. the supervisory board has proper contact with the management board, the employee participation body (if any) and the general meeting; ii. the supervisory board elects a vice-chairman; iii. there is sufficient time for deliberation and decision-making by the supervisory board; iv. the supervisory board members receive all information that is necessary for the proper performance of their duties in a timely fashion; v. the supervisory board and its committees function properly; vi. the functioning of individual management board members and supervisory board members is assessed at least annually; | <p>Chairman has regular one-on-one meetings with CEO. One of the Supervisory Board members attends at least one works council meeting per calendar year. Chairman chairs the AGM. Sif complies with 2.3.6</p> | |

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| | <p>vii. the supervisory board members and management board members follow their induction programme;</p> <p>viii. the supervisory board members and management board members follow their education or training programme;</p> <p>ix. the management board performs activities in respect of culture;</p> <p>x. the supervisory board recognises signs from the enterprise affiliated with the company and ensures that any (suspicion of) material misconduct and irregularities are reported to the supervisory board without delay;</p> <p>xi. the general meeting proceeds in an orderly and efficient manner;</p> <p>xii. effective communication with shareholders is assured; and</p> <p>xiii. the supervisory board is involved closely, and at an early stage, in any merger or takeover processes. The chairman of the supervisory board should consult regularly with the chairman of the management board.</p> | | |
| 2.3.7 | <p>Vice-chairman of the supervisory board. The vice-chairman of the supervisory board should deputise for the chairman when the occasion arises.</p> | Article 3.5 of the Supervisory Board rules. | |
| 2.3.8 | <p>Delegated supervisory board member. A delegated supervisory board member is a supervisory board member who has a special task. The delegation may not extend beyond the responsibilities of the supervisory board itself and may not include the management of the company. Its purpose is more intensive supervision and advice and more regular consultation with the management board. The delegation should be of a temporary nature only. The delegation may not detract from the duties and</p> | Sif complies. | |

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| | <p>powers of the supervisory board. The delegated supervisory board member continues to be a member of the supervisory board and should report regularly on the execution of his special duty to the plenary supervisory board.</p> | | |
| 2.3.9 | <p>Temporary management board function of a supervisory board member. A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfil their duties, should resign from the supervisory board.</p> | <p>Articles of association paragraph 14-4 (only for situations of “ontstentenis”). This is not included in the Rules of the Supervisory Board. Nor elsewhere in the articles of association. Sif will comply.</p> | |
| 2.3.10 | <p>Company secretary. The supervisory board should be supported by the company secretary. The secretary:</p> <ul style="list-style-type: none"> i. should ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with; ii. should facilitate the provision of information of the management board and the supervisory board; and iii. should support the chairman of the supervisory board in the organisation of the affairs of the supervisory board, including the provision of information, meeting agendas, evaluations and training programmes. <p>The company secretary should, either on the motion of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained. If the secretary also undertakes work for the management board and notes that the interests of the management board and the supervisory board diverge, as a result of which it is unclear which interests the secretary should represent, the secretary</p> | <p>Article 5.6 of the Supervisory Board Rules.</p> | <p>NON COMPLIANCE. The size of the Company and the nature of the business do not require a formal company secretary. The secretary of the Executive Board monitors compliance with procedures and statutory obligations, provides the Supervisory and Executive Board with the necessary information and supports the Supervisory Board during its meetings.</p> |

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| | should report this to the chairman of the supervisory board. | | |
| 2.3.11 | Report of the supervisory board. The annual statements of the company include a report by the supervisory board. In this report, the supervisory board should render account of the supervision conducted in the past financial year, reporting in any event on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2. | Refer to the Report of the Supervisory Board in annual reports of the Company 1.1.3: strategy, implementation and risks 2.1.2: info on supervisory board members (gender, age, main position, other positions etc) 2.1.10: info on independence of supervisory board members 2.2.8: evaluation executive and supervisory board members 2.3.5: committees of the supervisory board 2.4.4: meetings of the supervisory board Sif complies | |
| 2.4 Decision-making and functioning | | | |
| 2.4.1 | Stimulating openness and accountability. The management board and the supervisory board are each responsible for stimulating openness and accountability within the organ of which they form part, and between the different organs within the company. | Sif complies | |
| 2.4.2 | Other positions. Management board members and supervisory board members should report any other positions they may have to the supervisory board in advance and, at least annually, the other positions should be discussed at the supervisory board meeting. The acceptance of membership of a supervisory board | Refer to resumes of Supervisory Board members in annual reports of the company | |

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| | by a management board member requires the approval of the supervisory board. | | |
| 2.4.3 | Point of contact for the functioning of supervisory board and management board members. The chairman of the supervisory board should act on behalf of the supervisory board as the main contact for the management board, supervisory board members and shareholders regarding the functioning of management board members and supervisory board members. The vice-chairman should act as contact for individual supervisory board members and management board members regarding the functioning of the chairman. | Included in whistle blower policy. For shareholders refer to article 5.3 of Supervisory Board rules. For executive board members refer to article 17.2 of Code of Conduct | |
| 2.4.4 | Attendance at supervisory board meetings. Supervisory board members should attend supervisory board meetings and the meetings of the committees of which they are a part. If supervisory board members are frequently absent from these meetings, they should be held to account on this. The report of the supervisory board should state the absenteeism rate from supervisory board and committee meetings of each supervisory board member | Attendance reported in Report of Supervisory Board in annual reports of the company | |
| 2.4.5 | Induction programme for supervisory board members. All supervisory board members should follow an induction programme geared to their role. The induction programme should in any event cover general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the relevant company and its business activities, the company culture and the relationship with the employee participation body (if any), and the responsibilities of a supervisory board member. | Article 4.3 of Supervisory Board rules. Introduction programme work in progress. | |

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| 2.4.6 | Development. The management board and the supervisory board should each conduct an annual review for their own organ to identify any aspects with regard to which the supervisory board members and management board members require training or education. | Done at self-assessments | |
| 2.4.7 | Information safeguards. The management board should ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the management board and the supervisory board in a timely fashion. The supervisory board should supervise the establishment and implementation of these procedures. | <ul style="list-style-type: none"> - Supervisory Board receives monthly overviews of results of previous months - Standard agenda's are used for Supervisory Board meetings and meeting documents are distributed one month in advance Article 4.4 of Supervisory Board Rules | |
| 2.4.8 | Supervisory board members' responsibility for obtaining information. The supervisory board and each individual supervisory board member have their own responsibility for obtaining the information from the management board, the internal audit function, the external auditor and the employee participation body (if any) that the supervisory board needs in order to be able to carry out its duties as a supervisory organ properly. | Article 4.4 of Supervisory Board Rules. | |
| 2.4.9 | Obtaining information from officers and external parties. If the supervisory board considers it necessary, it may obtain information from officers and external advisers of the company. The company should provide the necessary means to this end. The supervisory board may require that certain officers and external advisers attend its meetings. | Article 4.4 of Supervisory Board Rules. | |
| 2.5 Culture | | | |

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| 2.5.1 | <p>Management board's responsibility for culture. The management board should adopt values for the company and its affiliated enterprise that contribute to a culture focused on long-term value creation, and discuss these with the supervisory board. The management board is responsible for the incorporation and maintenance of the values within the company and its affiliated enterprise. Attention must be paid to the following, among other things:</p> <ul style="list-style-type: none"> i. the strategy and the business model; ii. the environment in which the enterprise operates; and iii. the existing culture within the enterprise, and whether it is desirable to implement any changes in this. <p>The management board encourages behaviour that is in keeping with the values, and propagates these values through leading by example.</p> | Values included in Code of Conduct and explained in annual reports of the Company | |
| 2.5.2 | <p>Code of Conduct. The management board should draw up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the company. The management board should inform the supervisory board of its findings and observations relating to the effectiveness of, and compliance with, the code. The code of conduct will be published on the company's website.</p> | Code of Conduct is published on website of the Company. Implementation programme is being designed | |
| 2.5.3 | <p>Employee participation. If the company has established an employee participation body, the conduct and culture in the company and its affiliated enterprise should also be discussed in the consultations between the management board, the</p> | Code of conduct to be scheduled for discussions amongst executive, supervisory boards and works council | |

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| | supervisory board and such employee participation body. | | |
| 2.5.(4)5 | Accountability regarding culture. In the management report, the management board should explain: i. the values and the way in which they are incorporated in the company and its affiliate enterprise; and ii. the effectiveness of, and compliance with, the code of conduct. | Refer to Report of the Executive Board in the annual reports of the Company | |
| 2.6 Misconduct and irregularities | | | |
| 2.6.1 | Procedure for reporting actual or suspicion of misconduct or irregularities. The management board should establish a procedure for reporting actual or suspected irregularities within the company and its affiliated enterprise. The procedure will be published on the company's homepage. The management board should ensure that employees have the opportunity to file a report without jeopardizing their legal position. | Whistleblower policy implemented and published on Company website | |
| 2.6.2 | Informing the chairman of the supervisory board. The management board should inform the chairman of the supervisory board without delay of any signs of actual or suspected material misconduct or irregularities within the company and its affiliated enterprise. If the actual or suspected misconduct or irregularity pertains to the functioning of a management board member, employees can report this directly to the chairman of the supervisory board. | Refer to whistleblower policy | |
| 2.6.3 | Notification by the external auditor. The external auditor should inform the chairman of the audit committee without delay if, during the performance of his duties, he discovers or suspect an instance of misconduct or irregularity. If the actual or suspected | Obligation of the external auditor | |

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| | <p>misconduct or irregularity pertains to the functioning of a management board member, the external auditor should report this directly to the chairman of the supervisory board.</p> | | |
| 2.6.4 | <p>Oversight by the supervisory board. The supervisory board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the management board itself is involved, the supervisory board should have the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.</p> | <p>Supervisory Board was closely involved in drafting the whistleblower policy. Health & Safety is on the agenda of each Supervisory Board meeting.</p> | |
| 2.7 Preventing conflicts of interest | | | |
| 2.7.1 | <p>Preventing conflicts of interest. Management board members and supervisory board members are alert to conflicts of interest and should in any case refrain from the following:</p> <ul style="list-style-type: none"> i. competing with the company; ii. demanding or accepting substantial gifts from the company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree; iii. providing unjustified advantages to third parties at the company's expense; iv. taking advantage of business opportunities to which the company is entitled for themselves or for their | <p>Refer to Code of Conduct</p> | |

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| | spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree. | | |
| 2.7.2 | <p>Terms of reference. The terms of reference of the supervisory board should contain rules on dealing with conflicts of interest, including conflicting interests between management board members and supervisory board members on the one hand and the company on the other. The terms of reference should also stipulate which transactions require the approval of the supervisory board. The company should draw up regulations governing ownership of, and transactions in, securities by management or supervisory board members, other than securities issued, by the company.</p> | Refer to articles 7.1- 7.6 of the Supervisory Board rules. Supervisory Board approval is required for transactions described in article 7.2 but also in article 8.2 of the Supervisory Board rules. | |
| 2.7.3 | <p>Reporting. A conflict of interest may exist if the company intends to enter into a transaction with a legal entity:</p> <ul style="list-style-type: none"> i. in which a member of the management board or the supervisory board personally has a material financial interest; or ii. which has a member of the management board or the supervisory board who is related under family law to a member of the management board or the supervisory board of the company. <p>A management board member should report any potential conflict of interest in a transaction that is of material significance to the company and/or to such management board member to the chairman of the supervisory board and to the other members of the management board without delay. The management board member should provide all relevant information in that regard, including the information relevant to</p> | Refer to articles 7.1 and 7.2 of the Supervisory Board rules. Refer also to the annual reports of the Company where potential conflicts with Supervisory Board members are reported. | |

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| | <p>the situation concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.</p> <p>A supervisory board member should report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the company and/or to such supervisory board member to the chairman of the supervisory board without delay and should provide all relevant information in that regard, including the relevant information pertaining to his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest, he should report this to the vice-chairman of the supervisory board without delay. The supervisory board should decide, outside the presence of the management board member or supervisory board member concerned, whether there is a conflict of interest</p> | | |
| 2.7.4 | <p>Accountability regarding transactions: management board and supervisory board members. All transactions in which there are conflicts of interest with management board members or supervisory board members should be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with management board members or supervisory board members that are of material significance to the company and/or to the relevant management board members or supervisory board members should require the approval of the supervisory board. Such transactions should be published in the management</p> | <p>Refer to article 7.4 of the Supervisory Board rules and the Report of the Executive Board in the annual reports of the Company.</p> | |

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| | report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 have been complied with. | | |
| 2.7.5 | Accountability regarding transactions: majority shareholders. All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the company and/or to such persons should require the approval of the supervisory board. Such transactions should be published in the management report, together with a declaration that best practice provision 2.7.5 has been complied with. | Article 7.6 Supervisory Board Rules and annual reports of the Company | . |
| 2.7.6 | Personal loans. The company should not grant its management board members and supervisory board members any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the supervisory board. No remission of loans should be granted | Article 9.5 Supervisory Board rules | |
| 2.8 Takeover situations | | | |
| 2.8.1 | Supervisory board involvement. When a takeover bid for the company's shares or for the depositary receipts for the company's shares is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the management board should ensure that the supervisory board is involved in the | Sif will comply | |

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| | takeover process and/or the change in the structure closely and in a timely fashion. | | |
| 2.8.2 | Informing the supervisory board about request for inspection by competing bidder. If a takeover bid has been announced for the shares, or depositary receipts for shares, in the company, and the management board receives a request from a competing bidder to inspect the company's records, the management board should discuss this request with the supervisory board without delay | Sif will comply | |
| 2.8.3 | Management board's position on a private bid. If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the management board of the company should as soon as possible make public its position on the bid and the reasons for this position. | Sif will comply | |
| REMUNERATION | | | |
| 3.1 Remuneration policy – management board | | | |
| 3.1.1. | Remuneration policy proposal. The remuneration committee should submit a clear and understandable proposal to the supervisory board concerning the remuneration policy to be pursued with regard to the management board. The supervisory board should present the policy to the general meeting for adoption | Article 4.1 Rules of the Remuneration Committee. Remuneration policy was presented to the AGM 2020 and approved. The policy is on the website of the Company | |
| 3.1.2 | Remuneration policy. The following aspects should in any event be taken into consideration when formulating the remuneration policy: i. the objectives for the strategy for the implementation of long-term value creation within the meaning of best practice provision 1.1.1; ii. the scenario analyses carried out in advance; | Article 3.3- 3.5 Remuneration Policy | |

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| | <p>iii. the pay ratios within the company and its affiliated enterprise;</p> <p>iv. the development of the market price of the shares;</p> <p>v. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;</p> <p>vi. if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and</p> <p>vii. if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded.</p> | Article 7.1- 7.4 Remuneration Policy. | |
| 3.1.3 | <p>Remuneration – executive committee. If the management board works with an executive committee, the management board should inform the supervisory board about the remuneration of the members of the executive committee who are not management board members. The management board should discuss this remuneration with the supervisory board annually.</p> | Remuneration of management is discussed in Remuneration Committee | |
| 3.2 Determination of management board remuneration | | | |
| 3.2.1 | <p>Remuneration committee’s proposal. The remuneration committee should submit a proposal to the supervisory board concerning the remuneration of individual members of the management board. The proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration</p> | Article 4.1 Rules of the Remuneration Committee. | |

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| | components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise. | | |
| 3.2.2 | Management board members' views on their own remuneration. When drafting the proposal for the remuneration of management board members, the remuneration committee should take note of individual management board members' views with regard to the amount and structure of their own remuneration. The remuneration committee should ask the members of the management board to pay attention to the aspects referred to in best practice provision 3.1.2. | Article 4.1 Rules of the Remuneration Committee. | |
| 3.2.3 | Severance payments. The remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the management board member, or in the event of seriously culpable or negligent behaviour on the part of the management board member. | Article 10.2 Remuneration Policy | |
| 3.3 Remuneration – supervisory board | | | |
| 3.3.1 | Time spent and responsibility. The remuneration of the supervisory board members should reflect the time spent and the responsibilities of their role. | | |
| 3.3.2 | Remuneration of supervisory board members. Supervisory board members may not be awarded remuneration in the form of shares and/or rights to shares. | Sif complies; artikel 9-3 Supervisory Board Rules | |
| 3.3.3 | Share ownership. Shares held by a supervisory board member in the company on whose supervisory board they serve should be long-term investments. | Sif complies; article 9-4 Supervisory Board Rules | |
| 3.4 Accountability for implementation of remuneration policy | | | |

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| 3.4.1 | <p>Remuneration report. The remuneration committee should prepare the remuneration report. This report should in any event describe, in a transparent manner, in addition to the matters required by law:</p> <ul style="list-style-type: none"> i. how the remuneration policy has been implemented in the past financial year; ii. how the implementation of the remuneration policy contributes to long-term value creation; iii. that scenario analyses have been taken into consideration; iv. the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year; v. in the event that a management board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and vi. in the event that a current or former management board member receives a severance payment, the reason for this payment. | Remuneration report is included in the annual reports of the Company | |
| 3.4.2 | <p>Agreement of management board member. The main elements of the agreement of a management board member with the company should be published on the company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the management board member will be proposed.</p> | Sif complies | |
| THE GENERAL MEETING | | | |
| 4.1 The general meeting | | | |

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| 4.1.1 | Supervisory board supervision. The supervisory board's supervision of the management board should include the supervision of relations with shareholders. | Sif complies; article 4-2 sub f Supervisory Board Rules | |
| 4.1.2 | Proper conduct of business at meetings. The chairman of the general meeting is responsible for ensuring the proper conduct of business at meetings in order to promote a meaningful discussion at the meeting. | Sif complies; article 5-3 Supervisory Board Rules | |
| 4.1.3 | Agenda. The agenda of the general meeting should list which items are up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items: i. material changes to the articles of association; ii. proposals relating to the appointment of management board and supervisory board members; iii. the policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend); iv. any proposal to pay out dividend; v. resolutions to approve the management conducted by the management board (discharge of management board members from liability); vi. resolutions to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability); vii. each substantial change in the corporate governance structure of the company and in the compliance with this Code; and viii. the appointment of the external auditor. | Sif complies; article 29-1 sub h and g, 31-1, 25-1, 15-1 of Sif's articles of association | |
| 4.1.4 | Proposal for approval or authorization. A proposal for approval or authorisation by the general meeting should be explained in writing. In its explanation the management board should deal with all facts and | Sif complies | |

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| | circumstances relevant to the approval or authorization to be granted. The notes to the agenda should be posted on the company's website. | | |
| 4.1.5 | Shareholder's explanation when exercising the right to put items on the agenda. If a shareholder has arranged for an item to be put on the agenda, he should explain this at the meeting and, if necessary, answer questions about it. | Sif complies | |
| 4.1.6 | Placing of items on the agenda by shareholders. A shareholder should only exercise the right to put items on the agenda after they have consulted with the management board on this. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example as a result of the dismissal of one or several management board or supervisory board members, the management board should be given the opportunity to stipulate a reasonable period in which to respond (the response time). The opportunity to stipulate the response time should also apply to an intention as referred to above for judicial leave to call a general meeting pursuant to Section 2:110 of the Dutch Civil Code. The relevant shareholder should respect the response time stipulated by the management board, within the meaning of best practice provision 4.1.7. | Sif complies | |
| 4.1.7 | Stipulation of the response time. If the management board stipulates a response time, this should be a reasonable period that does not exceed 180 days from the moment the management board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The management | Sif complies | |

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| | board should use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s), and should explore the alternatives. At the end of the response time, the management board should report on this consultation and the exploration to the general meeting. This should be monitored by the supervisory board. The response time may be stipulated only once for any given general meeting and should not apply to an item in respect of which the response time had been previously stipulated, or to meetings where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public bid. | | |
| 4.1.8 | Attendance of members nominated for the management board or supervisory board. Management board and supervisory board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination | Sif complies | |
| 4.1.9 | External auditor's attendance. The external auditor may be questioned by the general meeting in relation to his report on the fairness of the financial statements. The external auditor should for this purpose attend and be entitled to address this meeting. | Sif complies | |
| 4.1.10 | General meeting's report. The report of the general meeting should be made available, on request, to the shareholders no later than three months after the end of the meeting, after which shareholders should have the opportunity to react to the report in the following three months. The report should then be adopted in the manner provided for in the articles of association. | Sif complies | |
| Verstrekken van informatie | | | |

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| 4.2.1 | <p>Substantiation of invocation of overriding interest. If the management board and the supervisory board decide not to provide the general meeting with all information desired with the invocation of an overriding interest on the part of the company, they must give reasons for this.</p> | All information is provided to the General Meeting of Shareholders | |
| 4.2.2 | <p>Policy on bilateral contacts with shareholders. The company should formulate an outline policy on bilateral contacts with the shareholders and should post this policy on its website.</p> | Bilateral Contact Policy is on Sif's website | |
| 4.2.3 | <p>Meetings and presentations. Analyst meetings, analyst presentations, presentations to institutional or other investors and press conferences should be announced in advance on the company's website and by means of press releases. Analysts' meetings and presentations to investors should not take place shortly before the publication of the regular financial information. All shareholders should be able to follow these meetings and presentations in real time, by means of webcasting, telephone or otherwise. After the meetings, the presentations should be posted on the company's website.</p> | Financial reports and presentations to press and sell side analysts are pre-announced on Sif's website and announced by press release. Sif knows closed periods as defined in Sif's Disclosure policy. Annual and semi-annual results presentations can be followed live on the company's website. Transcripts are posted on the website shortly after the presentations. | Roadshows are pre- announced on Sif's website. NON COMPLIANCE: Individual meetings are not pre- announced nor can be followed through webcast since this is practically impossible. Refer to Policy on Fair Disclosure and Bilateral Dialogue article 3-6 |
| 4.2.4 | <p>Posting information in a separate section of the website. The company should post and update information which is relevant to the shareholders and which it is required to publish or submit pursuant to the provisions of company law and securities law applicable to it in a separate section of the company's website.</p> | Article 3-10 of Sif's Policy on Fair Disclosure and Bilateral Dialogue and the Investor Relations section of Sif's website | |
| 4.2.5 | <p>Management board contacts with press and analysts. The contacts between the management board on the one hand and the press and financial analysts on the other should be handled and structured carefully and</p> | Articles 3-4 and 3-5 of Sif's Policy on Fair Disclosure and Bilateral Dialogue | |

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| | with due observance of the applicable laws and regulations. The company should not do anything that might compromise the independence of analysts in relation to the company and vice versa. | | |
| 4.2.6 | Outline of anti-takeover measures. The management board should outline all existing or potential anti-takeover measures in the management report and should also indicate in what circumstances and by whom these measures may likely be used. | Refer to the Report of the Executive Board in the annual reports. Sif did not install anti- takeover measures | |
| 4.3 Casting votes | | | |
| 4.3.1 | Voting as deemed fit. A shareholder should vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgment on the voting policy or the voting advice provided by this adviser. | Not applicable since this addresses investors rather than Sif | |
| 4.3.2 | Providing voting proxies or voting instructions. The company should give shareholders and other persons entitled to vote the possibility of issuing voting proxies or voting instructions, respectively, to an independent third party prior to the general meeting. | Provided for in articles 27-2 and 27-3 of Sif's articles of association | |
| 4.3.3 | Cancelling the binding nature of a nomination or dismissal. The general meeting of shareholders of a company not having statutory two-tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. If this proportion of the capital is not represented at the | Provided for in articles 15-1 and 20-2 of Sif's articles of association | |

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| | meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting. | | |
| 4.3.4 | Voting right on financing preference shares. The voting right attaching to financing preference shares should be based on the fair value of the capital contribution. | Not applicable since no preference shares Sif are issued. Articles of association do not include preference shares | |
| 4.3.5 | Publication of institutional investors' voting policy. Institutional investors (pension funds, insurers, investment institutions and asset managers) should post annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies. | Not applicable to Sif | |
| 4.3.6 | Report on the implementation of institutional investors' voting policy. Institutional investors should report annually, on their website and/or in their management report, on how they implemented their policy on the exercise of the voting rights in the relevant financial year. In addition, they should report on their website at least once per quarter on whether and, if so, how they have voted as shareholders at general meetings. This report will be posted on the website of the institutional investor. | Not applicable to Sif | |
| 4.4 Issuing depositary receipts for shares | | | |
| 4.4.1 | Trust office board. The board of the trust office should have the confidence of the holders of depositary receipts and operate independently of the company that has issued the depositary receipts. The trust conditions should specify in what cases and subject to | Not applicable since there is no trust office and no depositary receipts on Sif shares are issued. | |

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| | what conditions holders of depositary receipts may request the trust office to call a meeting of holders of depositary receipts. | | |
| 4.4.2 | Appointment of board members. The board members of the trust office should be appointed by the board of the trust office, after the job opening has been announced on the website of the trust office. The meeting of holders of depositary receipts may make recommendations to the board of the trust office for the appointment of persons to the position of board member. No management board members or former management board members, supervisory board members or former supervisory board members, employees or permanent advisers of the company should be a member of the board of the trust office. | Not applicable since there is no trust office | |
| 4.4.3 | Board appointment period. A person may be appointed to the board of the trust office for a maximum of two four-year terms, followed by a maximum of two two-year terms. In the event of a reappointment after an eight-year period, reasons should be given in the report of the board of the trust office. | Not applicable since there is no trust office | |
| 4.4.4 | Attendance of the general meeting. The board of the trust office should attend the general meeting and should, if desired, make a statement about how it proposes to vote at the meeting. | Not applicable since there is no trust office | |
| 4.4.5 | Exercise of voting rights. In exercising its voting rights, the trust office should be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and the enterprise affiliated with it into account. | Not applicable since there is no trust office | |

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| 4.4.6 | Periodic reports. The trust office should report periodically, but at least once per year, on its activities. The report should be posted on the company's website. | Not applicable since there is no trust office | |
| 4.4.7 | Contents of the reports. The report referred to in best practice provision 4.4.6 should, in any event, set out: i. the number of shares for which depositary receipts have been issued and an explanation of changes to this number; ii. the work carried out in the financial year; iii. the voting behaviour in the general meetings held in the financial year; iv. the percentage of votes represented by the trust office during the meetings referred to under iii.; v. the remuneration of the members of the board of the trust office; vi. the number of meetings held by the management and the main items dealt with in them; vii. the costs of the activities of the trust office; viii. any external advice obtained by the trust office; ix. the (other) positions held by the board members of the trust office; and x. the contact details of the trust office. | Not applicable since no depositary receipts are issued on Sif- shares | |
| 4.4.8 | Voting proxies. The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf.. | Not applicable since no depositary receipts are issued on Sif- shares | |
| ONE-TIER GOVERNANCE STRUCTURE | | | |