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**RULES OF THE BOARD OF SUPERVISORY DIRECTORS OF
CINEMA CITY INTERNATIONAL N.V.**

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RULES OF THE BOARD OF SUPERVISORY DIRECTORS OF CINEMA CITY INTERNATIONAL N.V.

These Rules of the Board of Supervisory Directors (“**Rules**”) were adopted by the Board of Supervisory Directors (the “**Board of Supervisory Directors**”) of Cinema City International N.V. (“**Company**”) on, and are effective as of, December 20, 2006.

Article 1 Status and contents of the Rules

1.1 These Rules are adopted in accordance with article 27 paragraph 6 of the Company’s articles of association (the “**Articles**”) and best practice provision III.1.1 of the Dutch Corporate Governance Code (the “**Code**”). The Rules regulate the Board of Supervisory Directors’ decision making process and general functioning. These Rules replace in their entirety any rules previously adopted by the Board of Supervisory Directors.

1.2 The following annexes are attached to, and form an integral part of, these Rules:

- Annex 3.1:** profile of the Board of Supervisory Directors
- Annex 5.2.A** charter audit committee
- Annex 5.2.B** charter remuneration committee
- Annex 5.2.C** charter appointment committee
- Annex 6.2:** resignation schedule for members of the Board of Supervisory Directors
- Annex 7.3:** rules related to investments by members of the Board of Supervisory Directors

1.3 Where these Rules are inconsistent with Dutch law, the law shall prevail. Where these Rules are inconsistent with the Articles, the Articles shall prevail to the extent the Articles are not inconsistent with the law.

If one or more provisions of these Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Board of Supervisory Directors shall replace the invalid provisions with ones that are valid and the effect of which, given the contents and purpose of these Rules is, to the greatest extent possible, similar to that of the invalid provisions.

1.4 These Rules shall be published on the Company's website: www.cinemacity.nl.

Article 2 Responsibilities of the Board of Supervisory Directors

2.1 The Board of Supervisory Directors shall be responsible for supervising the Board of Managing Directors and the general affairs of the Company and its affiliated enterprises, and for advising the Board of Managing Directors. In discharging its duties, the Board of Supervisory Directors shall be guided by the interests of the Company and its business; it shall take into account the relevant interests of all those involved in the Company (including the Company’s shareholders) and the objective of creating shareholder value in the long run. The Board of Supervisory Directors is responsible for the quality of its own performance.

- 2.2 The responsibilities of the Board of Supervisory Directors shall include:
- a) supervising, monitoring, and advising the Board of Managing Directors on: (i) the achievement of the Company's objectives, (ii) the Company's strategy and risks inherent to its business activities, (iii) the structure and management of the risk management and internal control systems, (iv) the financial reporting process, (v) compliance with legislation and regulations, and (vi) the Company's performance;
 - b) disclosing, complying with and enforcing the Company's corporate governance structure;
 - c) supervising the compliance with the internal procedures regarding the preparation and publication of the annual report, the annual accounts, the quarterly and/or half-yearly figures and ad hoc financial information;
 - d) supervising the establishment and maintenance of the internal procedures which ensure that all major financial information is known to the Board of Managing Directors;
 - e) approving the annual accounts and approving the Company's annual budgets and major capital expenditures;
 - f) selecting, and recommending the appointment of, the Company's external auditor;
 - g) making proposals for the appointment of the members of the Board of Managing Directors, proposing the remuneration policy for members of the Board of Managing Directors (such appointments and policy to be adopted by the general meeting of shareholders of the Company (the "**General Meeting**")), fixing the remuneration (in accordance with the said remuneration policy) and contractual terms and conditions of employment of members of the Board of Managing Directors;
 - h) making proposals for the appointment of the members of the Board of Supervisory Directors, such appointments to be adopted by the General Meeting and proposing the remuneration of its members to be adopted by the General Meeting;
 - i) evaluating and assessing the functioning of the Board of Managing Directors, the Board of Supervisory Directors, and their individual members (including the evaluation of the Board of Supervisory Directors' profile and the induction, education and training programs);
 - j) handling, and deciding on, reported potential conflicts of interest between the Company on the one side and members of the Board of Managing Directors, the external auditor or the Board of Supervisory Directors on the other side; and
 - k) handling, and deciding on, reported alleged irregularities that relate to the functioning of the Board of Managing Directors.
- 2.3 The Board of Supervisory Directors shall prepare and publish a report on its functioning and activities during the preceding financial year. The report shall at least include the information as required under the Code and each Supervisory Director shall provide all necessary details in relation to him or herself as required in connection therewith.

Article 3 Composition, expertise and independence of the Board of Supervisory Directors

- 3.1 The Board of Supervisory Directors shall consist of at least three and at the most six members of which at least two Supervisory Directors are independent. Members of the Board of Supervisory Directors must be natural persons. The Board of Supervisory Directors shall prepare a profile of its scope and composition, taking into account the nature of the business, its activities, and the desired expertise, experience and independence of its members. The Board of Supervisory Directors shall evaluate the profile annually. The profile shall be made generally available and shall, in any event, be posted on the Company's website. The present profile of the Board of Supervisory Directors is attached as **Annex 3.1**.

- 3.2 The composition of the Board of Supervisory Directors shall be such that the combined experience, expertise and independence of its members meet the profile attached as Annex 3.1 and enables the Board of Supervisory Directors to best carry out the variety of its responsibilities and duties to the Company and all others involved in the Company (including its shareholders), consistent with applicable law and regulations (including the rules of any exchange on which the Company's shares (or depositary receipts thereof) may be listed.
- 3.3 The Board of Supervisory Directors may appoint one of its members as "delegated" Supervisory Director. Upon appointment the term of the appointment shall be set. A delegated member is a member with a special task. The delegated authority may not exceed the duties of the member of the Board of Supervisory Directors him/herself and therefore does not include managing the Company; it entails more intensive supervision and advice and more frequent consultation with the Board of Managing Directors. The delegation shall be of a temporary nature only. The delegation may not detract from the function and power of the Board of Supervisory Directors. A delegated Supervisory Director remains a member of the Board of Supervisory Directors.

Article 4 Chairman, vice-chairman and Company secretary

- 4.1 The Board of Supervisory Directors shall appoint one of its members as chairman and may appoint another as vice-chairman. Only the Board of Supervisory Directors may resolve to appoint a chairman or vice-chairman. The chairman determines the agenda, chairs the meetings of the Board of Supervisory Directors, monitors the proper functioning of the Board of Supervisory Directors and its committees, if installed, arranges for the adequate submission of information to the members of the Board of Supervisory Directors, ensures that there is sufficient time for decision taking, arranges for the induction and training program for members of the Board of Supervisory Directors, acts on behalf of the Board of Supervisory Directors as main contact for the Board of Managing Directors, initiates the evaluation of the functioning of the Board of Supervisory Directors and the Board of Managing Directors, and as chairman ensures the orderly and efficient conduct of the general meeting.

The chairman of the Board of Supervisory Directors ensures:

- a) the co-ordination of the Board of Supervisory Directors' decision-taking process;
 - b) the adequate and timely submission of information to the members of the Board of Supervisory Directors as necessary for the proper performance of their duties;
 - c) that there is ample time for consultation, consideration and decision-taking by the Board of Supervisory Directors;
 - d) the steering, and procuring the adequate performance of, the committees, if installed, of the Board of Supervisory Directors;
 - e) the yearly evaluation and assessment of the functioning of the members of the Board of Managing Directors and the Board of Supervisory Directors;
 - g) that the contact with the Board of Managing Directors and the works council, if installed, is productive and that the results thereof are timely and prudently communicated to the other members of the Board of Supervisory Directors;
 - h) receiving, and deciding on, reported potential conflicts of interest within the meaning of article 11; and
 - i) receiving, and deciding on, reported alleged irregularities relating to the functioning of the members of the Board of Managing Directors within the meaning of article 12.
- 4.2 The Board of Supervisory Directors shall be assisted by the Company secretary to be appointed and dismissed, whether or not at the recommendation of the Board of Supervisory

Directors, by the Board of Managing Directors subject to the prior approval of the Board of Supervisory Directors. The Company secretary shall be primarily responsible for:

- a) compliance with the functioning of the Board of Supervisory Directors with Dutch law, the Articles and the rules and regulations issued pursuant thereto (including these Rules);
- b) assisting the chairman of the Board of Supervisory Directors in the logistics of the Board of Supervisory Directors (information, agenda, evaluation, etc.); and
- c) the induction, education and training program.

Article 5 Committees of the Board of Supervisory Directors

- 5.1 In case the Board of Supervisory Directors consists of more than four members, it shall have at least three standing committees, *i.e.*, the audit committee, the remuneration committee and the selection and appointment committee, to be appointed by the Board of Supervisory Directors from its own members. The committees shall prepare the decision-making by the Board of Supervisory Directors. Should one or more committees as referred to in article 5.1 not be instituted, then the relevant provisions of the Code (see Principle III.5 of the Code) shall apply to the entire Board of Supervisory Directors.
- 5.2 When installed, the Board of Supervisory Directors shall prepare rules governing the respective committee's practices and principles (responsibilities, composition, meetings, etc.). These rules shall be placed on the company's website and attached hereto as **Annex 5.2.A**, **Annex 5.2.B** and **Annex 5.2.C**. In its report, the Board of Supervisory Directors shall report on how the duties of the committees have been carried out during the relevant year, and will at least state the composition of the committees, the number of committee meetings and the main items discussed therein.
- 5.3 The Board of Supervisory Directors shall receive from each of the committees on an annual basis, or more often if so requested, a report of its deliberations and findings.

Article 6 (Re)appointment, term and resignation

- 6.1 The members of the Board of Supervisory Directors shall be appointed in the manner provided in the Articles. On reappointment, the manner in which the candidate fulfilled his/her duties as supervisory director shall be taken into account. Supervisory Directors shall hold office for an initial term of four years and shall thereafter be eligible for re-appointment, provided that no member shall hold office for more than three 4-year terms, as the case may be unless the General Meeting decides otherwise.
- 6.2 The resignation schedule of the Board of Supervisory Directors shall be as stated in **Annex 6.2**. Subject to article 6.3, members of the Board of Supervisory Directors shall resign in accordance with the resignation schedule.
- 6.3 Supervisory directors shall retire early in the event of inadequate performance, structural incompatibilities of interests, and other instances where retirement is deemed necessary at the discretion of the Board of Supervisory Directors.
- 6.4 Supervisory directors who take on the management of the Company temporarily, where the managing directors are absent or unable to discharge their duties, shall resign from the Board of Supervisory Directors in order to do so.

Article 7 Remuneration; Investment Regulations

7.1 The Board of Supervisory Directors shall from time to time submit proposals to the General Meeting in respect of the remuneration to be paid to the chairman and other members of the Board of Supervisory Directors. The remuneration of a supervisory director may not be dependent on the Company's results. The remuneration of supervisory directors shall be determined by the General Meeting. Remuneration shall be paid semi-annually in arrears. Remuneration shall be paid for the entire semi-annual period in which a member commences or terminates service. In addition each supervisory director shall receive a reimbursement per attendance of a meeting.

The notes to the annual accounts shall in any event contain the information prescribed by law as to the size and structure of the remuneration of individual supervisory directors.

7.2 In fixing the remuneration of the Board of Supervisory Directors, the following requirements must be observed:

- a) none of its members may receive shares and/or options or similar rights to acquire shares in the Company's capital as part of their remuneration;
- b) none of its members may hold securities described in sub a) other than for long-term investment;
- c) none of its members may hold securities other than as described in sub a) unless (i) the securities are held in accordance with the regulations as described below, (ii) he/she holds such securities for investment in listed investment funds, or (iii) in case of investment in other funds, only if he/she has entrusted an independent third party with the management of his/her securities portfolio pursuant to a written mandate agreement; and
- d) none of its members may seek or accept personal loans, guarantees, etcetera, from the Company, other than in the normal course of business and with the approval of the Board of Supervisory Directors. No remission of loans may be granted.

7.3 The Board of Supervisory Directors shall adopt a set of regulations containing rules governing the ownership interest of, and transactions in, securities (other than issued by the Company) by the supervisory directors. The regulations shall be placed on the Company's website. A supervisory director shall periodically, at least every quarter, notify the compliance officer of the Company, or if no such officer has been appointed, the chairman of the Board of Supervisory Directors, of any changes in his or her ownership interest in securities in Dutch listed companies. Supervisory directors that invest solely in listed investment funds, or, in case of investment in other funds, only if they have entrusted an independent third party with the management of their securities portfolio pursuant to a written mandate agreement are exempted from this latter provision.

The above referenced regulations as currently in force are attached hereto as **Annex 7.3**.

Article 8 Induction program and ongoing training and education

8.1 Once appointed, each supervisory director shall follow an introduction program, prepared and sponsored by the Company, addressing:

- a) general financial and legal affairs;
- b) financial reporting by the Company;
- c) specific aspects unique to the Company and its business activities; and
- d) responsibilities of supervisory directors.

- 8.2 The Board of Supervisory Directors shall evaluate the induction program annually to identify any other specific aspects in respect of which further training and education is required.

Article 9 Meetings of the Board of Supervisory Directors (agenda, teleconferencing, attendance, minutes)

- 9.1 The Board of Supervisory Directors shall hold at least four meetings per year according to a meeting schedule drawn up for each calendar year and whenever one or more of its members have requested a meeting. The Board of Managing Directors may also request a meeting.

The Board of Supervisory Directors may require that certain officers and external advisers attend its meetings.

Meetings may be attended by one or more members by telephone or videoconference, provided that all participants can hear and address each other simultaneously.

With due observance of the first paragraph of this article 9.1 the Board of Supervisory Directors may pass resolutions outside a meeting, provided that the resolution is adopted in writing and all supervisory directors have expressed themselves.

- 9.2 Supervisory directors who are frequently absent during meetings of the Board of Supervisory Directors shall be asked by the chairman to explain their absence. Frequent absences shall be reported in the report of the Board of Supervisory Directors.

- 9.3 Meetings shall be convened by the Company secretary on behalf of the member(s) requesting the meeting. Where this is practically possible, notices convening a meeting and the agenda of items and documents to be considered and discussed therein shall be dispatched 8 working days before the meeting and sent to each supervisory director and the managing directors. A meeting shall be duly convened on shorter than 8 days notice if all members consent.

- 9.4 Minutes of the meeting shall be prepared by the secretary of the meeting. They shall generally be adopted at the next meeting. If all supervisory directors agree on the contents of the minutes, they may be adopted earlier. The minutes shall be signed for adoption by the chairman and shall be dispatched to all supervisory directors as soon as practically possible. The Company secretary may issue and sign extracts of the adopted minutes. The Company secretary may delegate authority to issue and sign extracts of the adopted minutes and to issue certificates as to actions taken by the Board of Supervisory Directors.

- 9.5 The minutes shall be in the form and content customary for the type and subject of the meeting and shall record the topics discussed, the inquiries made and the decisions taken with respect to each topic. Separate summaries of the decisions taken during the meeting, as well as a list of actions to be taken, shall be attached to the minutes.

- 9.6 Unless the Board of Supervisory Directors decides otherwise, meetings of the Board of Supervisory Directors shall be attended by one or more managing directors, save for meetings (or those portions of a meeting) concerning:
- a) the evaluation of the functioning of the Board of Managing Directors and its individual members, and the conclusions to be drawn from that evaluation;
 - b) the evaluation of the functioning of the Board of Supervisory Directors and its individual members, and the conclusions to be drawn from that evaluation;
 - c) the desired profile, scope and composition of the Board of Supervisory Directors; or

- d) the potential conflicts of interest of supervisory directors within the meaning of article 11.

The external auditor of the Company shall attend each meeting of the Board of Supervisory Directors at which the examination, adoption and, if applicable, approval of the annual accounts are discussed. The external auditor shall receive the financial information underlying the adoption of the quarterly or half-yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information. The external auditor shall report his findings in relation to the audit of the annual accounts to the Board of Managing Directors and the Board of Supervisory Directors simultaneously.

- 9.7 The ongoing items to be considered and discussed at meetings of the Board of Supervisory Directors include reviewing the Company's budget and financial results, approving major decisions requiring action by the Board of Supervisory Directors, discussing and approving corporate strategy (and changes thereto) with the Board of Managing Directors (*e.g.* long-term strategy, capital expenditures in excess of the Company's budget, long-term capital structures, new lines of business, major acquisitions and divestments), and receiving reports from the committees of the Board of Supervisory Directors.
- 9.8 At least once a year, the Board of Supervisory Directors shall discuss:
 - a) the functioning of the Board of Supervisory Directors and its individual members, and the conclusions to be drawn on the basis thereof;
 - b) the desired profile, composition and competence of the Board of Supervisory Directors;
 - c) the functioning of the Board of Managing Directors and its individual members and the conclusions to be drawn on the basis thereof;
 - d) the evaluation of the induction, education and training program as referred to in article 8; and
 - e) the corporate strategy, the risks of the business and the result of the evaluation by the Board of Managing Directors of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto.

The report of the Board of Supervisory Directors will refer to the fact that such discussions were held.

- 9.9 In the event the Company is the subject of a rating-process made by a reputable ranking institute, the report of such institute should be on the agenda for discussion during a meeting of the Board of Supervisory Directors.

Article 10 Resolutions by the Board of Supervisory Directors (quorum, votes, items to be considered)

- 10.1 The Board of Supervisory Directors resolves with due observance of article 10.1 by an absolute majority. Without prejudice to the previous sentence, an abstention to vote will not be taken into account when determining whether a proposal is adopted with an absolute majority of the votes cast. This paragraph 10.1 shall not apply with respect to such resolutions by the Board of Supervisory Directors which in accordance with the Articles require a greater majority, if any. The chairman shall prepare and sign a report of the resolution adopted in the above manner, enclosing any written replies received. Subject to the relevant provisions in the Articles, the adoption of resolutions outside a meeting must be reported at the next meeting.
- 10.2 Resolutions in respect of the following matters can only be adopted if the majority of the independent supervisory directors vote in favor of:

- a.) resolution regarding any payments in cash or in-kind made to a managing director by the company or an affiliate of the company;
 - b.) approval of a material agreement made by the company or a subsidiary of the company with an affiliate of the company, a supervisory director, a managing director or affiliates of such persons;
 - c.) selection of a statutory auditor to review the company's financial statements.
- 10.3 Subject to article 10.1, the Board of Supervisory Directors may also adopt resolutions outside a meeting, provided that the resolution is adopted in writing and supervisory directors have expressed themselves.

Article 11 Conflicts of interest

- 11.1 A supervisory director shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he/she has a conflict of interest with the Company within the meaning of article 11.2. Such transaction must be concluded on terms at least customary in the sector concerned. Resolutions to enter into such transactions must be approved by the Board of Supervisory Directors.

The chairman of the Board of Supervisory Directors shall ensure that transactions in respect to which supervisory directors have a conflict of interest are referred to in the Company's annual report with reference to the conflict of interest and a declaration that articles 11.1, 11.2, and 11.3 were complied with.

- 11.2 A supervisory director shall in any event have a conflict of interest with the Company if:
- a) he/she personally has a material financial interest in a company with which the Company intends to enter into a transaction;
 - b) he/she has a family law relationship (*familierechtelijke verhouding*) with a person (i.e. his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree) who is a member of management board of a company with which the Company intends to enter into a transaction;
 - c) he/she is a member of the management or supervisory board of, or holds similar office with, a company with which the Company intends to enter into a transaction;
 - d) under applicable law, including the rules of any exchange on which the Company's shares (or depositary receipts thereof) are listed, such conflict of interest exists or is deemed to exist; or
 - e) the Board of Supervisory Directors has ruled that such conflict of interest exists or is deemed to exist.
- 11.3 Each supervisory director shall immediately report any potential conflict of interest concerning a supervisory director to the chairman of the Board of Supervisory Directors (or to the vice-chairman in the case of conflicts involving the chairman). The supervisory director with such or potential conflict of interest must provide the chairman (or to the vice-chairman in the case of conflicts involving the chairman) of the Board of Supervisory Directors with all information relevant to the conflict of interest, including information relating to the persons with whom he/she has a relationship under family law (*familierechtelijke verhouding*) his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. In all circumstances other than the ones listed in article 11.2 under d) and e), the Board of Supervisory Directors will determine whether a reported or potential conflict of interest qualifies as a conflict of interest to which article 11.1 applies.
- 11.4 Article 11.2 applies *mutatis mutandis* to members of the Board of Managing Directors.

Each managing director shall immediately report any potential conflict of interest concerning a managing director to the chairman of the Board of Supervisory Directors. The managing director with such or potential conflict of interest must provide the chairman of the Board of Supervisory Directors with all information relevant to the conflict of interest, including information relating to the persons with whom he/she has a relationship under family law (*familierechtelijke verhouding*) (i.e. his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree). In all circumstances other than the ones listed in article 11.2 under d) and e), the Board of Supervisory Directors will determine whether a reported or potential conflict of interest qualifies as a conflict of interest pursuant to which the transaction must be concluded on terms at least customary in the sector concerned. Resolutions to enter into such transaction must be approved by the Board of Supervisory Directors.

The chairman of the Board of Supervisory Directors shall ensure that these transactions are referred to in the Company's annual report with reference to the conflict of interest and a declaration that this article 11.4 was complied with.

- 11.5 All transactions between the Company and legal or natural persons who hold at least 10% of the shares in the Company shall be agreed on terms that are customary in the sector concerned. Decision to enter into transaction in which there are conflicts of interests with such persons that are of material significance to the Company and/or to such persons require the approval of the Board of Supervisory Directors.

The chairman of the Board of Supervisory Directors shall ensure that those measures will be mentioned in the Company's annual report with reference to the conflict of interest and a declaration that this article 11.5 was complied with.

- 11.6 The external auditor shall in any event have a conflict of interest with the Company, if:
- a) the independence of the external auditor with respect to its supervision of financial reporting is compromised by the non-audit activities it provides the Company, including, for example, consulting on tax, marketing, management, strategy, acquisitions or information technology;
 - b) the responsible partner in the external auditor's firm has been in charge of the audit activities for the Company during a continuous period of five (5) years without rotation;
 - c) under applicable law, including the rules of any exchange on which the Company's shares (or depositary receipts thereof) are listed, such conflict of interest exists or is deemed to exist; or
 - d) the Board of Supervisory Directors at its sole discretion has ruled that such conflict of interest exists or is deemed to exist.

The external auditor of the Company, as well as each managing director and supervisory director, shall immediately report any potential conflict of interest concerning the external auditor to the chairman of the Board of Supervisory Directors. The external auditor of the Company, as well as each managing director and supervisory director must provide all information relevant to the conflict of interest to the chairman of the Board of Supervisory Directors. In all circumstances other than the ones listed under c) and d) above the Board of Supervisory Directors will determine whether a reported or potential conflict of interest qualifies as a conflict of interest pursuant to which the appointment of the external auditor will have to be reconsidered or other measures must be taken to resolve it.

The chairman of the Board of Supervisory Directors shall ensure that those measures will be mentioned in the Company's annual report with reference to the conflict of interest and a declaration that this article 11.6 was complied with.

Article 12 Complaints, whistleblowers

- 12.1 The Board of Supervisory Directors shall see to it that the Board of Managing Directors shall ensure that employees have the opportunity, without jeopardizing their legal position, to report alleged irregularities of a general, operational and financial nature within the Company to the chairman of the Board of Managing Directors or to an officer designated for such purpose by him and that the relevant arrangements for whistleblowers will be placed on the Company's website.
- 12.2 Alleged irregularities that relate to the functioning of the members of the Board of Managing Directors shall be reported to the chairman of the Board of Supervisory Directors.

Article 13 Information, relationship with the Board of Managing Directors

- 13.1 The Board of Supervisory Directors, and its individual members, have their own responsibility for obtaining all information from the Board of Managing Directors and the external auditor that the Board of Supervisory Directors requires for the due performance of its duties. If the Board of Supervisory Directors deems necessary, it may obtain information from officers and external advisors of the Company. The Board of Managing Directors shall provide the necessary means for this purpose. The Board of Supervisory Directors may require that certain officers and external advisors attend its meetings.
- 13.2 The Board of Managing Directors shall timely provide the Board of Supervisory Directors with information (if possible, in writing) on all facts and developments concerning the Company which the Board of Supervisory Directors may need to function as required and to properly carry out its duties.
- 13.3 The Board of Managing Directors shall quarterly, or on such frequency as may be requested by the Board of Supervisory Directors, provide the Board of Supervisory Directors with a report prepared in a format as agreed to from time to time and setting out detailed information on, *inter alia*, finance, marketing, investments and staff.
- 13.4 Each year, without prejudice to the above, the Board of Managing Directors shall provide the Board of Supervisory Directors with a budget for the following year, an up-to-date version of its long-term plans, the main features of the strategic policy, the general and financial risks, the management and control systems of the Company and the compliance with all relevant laws and regulations. In addition, the Board of Managing Directors shall issue an annual declaration that it has provided the Board of Supervisory Directors with all relevant information required for the due performance of its duties. These documents will be provided in time so as to enable the Board of Supervisory Directors to give its approval by a date specified from time to time by the Board of Supervisory Directors.

Article 14 Relationship with the shareholders

- 14.1 In accordance with the Articles, General Meetings may also be convened at the request of the Board of Supervisory Directors or the Board of Managing Directors. If a General Meeting is convened the Board of Managing Directors shall ensure that it is held in due time and that the shareholders are informed by means of a shareholders circular of all facts and circumstances relevant to the item(s) on the agenda. The shareholders circular will be placed on the website of the Company, referred to in article 1.4.
- 14.2 The Company's managing and supervisory directors shall participate in General Meetings, unless they are prevented from attending on serious grounds. In conformity with the Articles the Board of Supervisory Directors shall appoint a chairman for the General Meeting. The ruling pronounced by the chairman in respect of the outcome of a vote in a General Meeting shall be decisive subject to the provisions of article 2:13 of the Dutch Civil Code.
- 14.3 The Board of Supervisory Directors shall provide the General Meeting with any information it may require concerning an item on the agenda, unless important interests (*zwaarwegende belangen*) of the Company or any law, rule or regulation applicable to the Company prevents it from doing so. The Board of Supervisory Directors shall specify the reasons for invoking such important interests.
- 14.4 The Board of Managing Directors and the Board of Supervisory Directors are responsible for the corporate governance structure of the Company and must give account to the annual general meeting in relation to such structure. Each year the broad outline of the Company's corporate governance structure shall be set forth in a separate chapter of the annual report. This chapter shall set forth whether the best practices of the Code were followed and if not, the reason for not doing so, and to what extent the Company deviates from these best practices.

Each significant change in the Company's corporate governance structure and compliance with the Code shall be addressed in a separate item on the agenda for consideration by the annual general meeting.

Article 15 Relationship with the Works Council

The Board of Supervisory Directors acknowledges the relevance of the Company's Works Council, to the extent the Company (or a company within its group) is obligated under Dutch law to install one. To the extent a resolution of the Board of Managing Directors requires both the approval by the Board of Supervisory Directors and an advice of the Works Council, the Board of Supervisory Directors will pass its resolution with a proviso included in such resolution that a positive or a neutral advice thereto is to be obtained from the Works Council. The Board of Supervisory Directors, and one or more members, shall be available to attend consultation meetings with the Works Council.

Article 16 Insurance and Indemnification

- 16.1 The Company shall take out liability insurance (directors' and officers' liability insurance) which covers members of the Board of Supervisory Directors.

- 16.2 The Company will, to the fullest extent permitted by law, the Articles and subject to the terms and conditions of an indemnity agreement to that effect, indemnify members of the Board of Supervisory Directors against all reasonable costs (including lawyers fees, fines, settlement amounts, etc.) incurred by them in connection with any proceedings in which they are involved on account of their present or former membership on the Board of Supervisory Directors.

Article 17 Confidentiality

Supervisory directors shall treat all information and documentation acquired within the framework of their membership on the board with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Board of managing or supervisory directors, made public or otherwise made available to third parties, even after resignation from the Board of Supervisory Directors, unless it has been made public by the Company or it has been established that the information is already in the public domain.

Article 18 Non-compliance, amendment

18.1 Without prejudice to the provisions of article 14.4, the Board of Supervisory Directors may occasionally decide at its sole discretion not to comply with and adhere to these Rules pursuant to a resolution by the Board of Supervisory Directors to that effect, provided that such deviation is not prohibited by law or the Articles. Such resolutions shall be referred to in the Board of Supervisory Directors' report.

18.2 Without prejudice to the provisions of article 14.4, these Rules, including any of the Annexes, may only be amended by a resolution by the Board of Supervisory Directors to that effect. Any amendments of these Rules, including any of the Annexes, shall be referred to in the Board of Supervisory Directors' report.

Article 19 Governing law and jurisdiction

19.1 These Rules shall be governed by and construed in accordance with the law of the Netherlands.

19.2 The relevant court of the Netherlands having jurisdiction over the Company, shall have exclusive jurisdiction to settle any dispute arising from or in connection with these Rules, including any dispute regarding the existence, validity or termination of these Rules.
