

# **TERMS OF REFERENCE REMUNERATION, SELECTION AND APPOINTMENT COMMITTEE**

**JDE PEET'S N.V.**

Adopted by the Board on 25 May 2020

## **1. INTRODUCTION**

- 1.1 These terms of reference have been drawn up by the Board pursuant to Clause 10.4 of the By-Laws of the Board.
- 1.2 The Remuneration, Selection and Appointment Committee is a standing committee of the Board.
- 1.3 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the Board Rules of the Board and the List of Definitions attached to those By-Laws as Annex 1.
- 1.4 These terms of reference are subject to the investor rights agreement entered into by the Company and certain investors in the Company in relation to, among other things, the governance structure of the Company (the **IRA**). When exercising the rights under or complying with the provisions in these terms of reference, this shall be done in a manner consistent with the IRA and if – and to the extent – there is any conflict and/or inconsistencies between the provisions of these terms of reference and the IRA, the relevant provisions of these terms of reference shall be interpreted in light of the intention and purpose of the IRA.

## **2. COMPOSITION**

- 2.1 The Remuneration, Selection and Appointment Committee shall consist of at least three members. All members of the Remuneration, Selection and Appointment Committee must be Non-Executive Directors.
- 2.2 The members of the Remuneration, Selection and Appointment Committee shall be appointed and may be replaced from their position at any time by the Board. The Board shall appoint one of the members of the Remuneration, Selection and Appointment Committee as chairman of the Remuneration, Selection and Appointment Committee.
- 2.3 The term of office of a member of the Remuneration, Selection and Appointment Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Board as a whole and that of other committees from time to time.
- 2.4 The Company Secretary or any other person as may be designated by the chairman of the Remuneration, Selection and Appointment Committee shall act as secretary to the Remuneration, Selection and Appointment Committee. The Company Secretary may delegate his or her duties, or parts thereof, under these terms of reference, to a deputy appointed by him or her in consultation with the chairman of the Remuneration, Selection and Appointment Committee.

## **3. DUTIES AND POWERS REGARDING REMUNERATION**

- 3.1 With respect to the remuneration the Remuneration, Selection and Appointment Committee is within the Board especially charged with the following:

- (a) to submit a clear and understandable proposal to the Board for the remuneration policies to be pursued for Executive Directors and Non-Executive Directors, which will be submitted to the General Meeting of Shareholders for adoption as required by law;
  - (b) to make a proposal concerning the remuneration of the individual Executive Directors; the proposal is drawn up in accordance with the remuneration policy that has been established. ;
  - (c) if the Board has resolved to establish a Senior Management Team or other body that serves as an Executive Committee: to prepare the annual meeting of the Board regarding the remuneration of the members of such body who are not Executive Directors;
  - (d) to prepare the Remuneration Report, taking into account the requirements of the Dutch corporate governance code and matters required by law; and
  - (e) to make proposals to the Non-Executive Directors for the remuneration of the individual Non-Executive Directors, which proposal will be submitted to the General Meeting of Shareholders for adoption (if required).
- 3.2 When drafting the proposal for the remuneration of Executive Directors, the Remuneration, Selection and Appointment Committee takes note of individual Executive Directors' views with regard to the amount and structure of their own remuneration.<sup>1</sup>
- 3.3 The Remuneration, Selection and Appointment Committee may only exercise such powers as are explicitly attributed to it by the Board and it may never exercise powers beyond those exercisable by the Board as a whole.

#### **4. DUTIES AND POWERS REGARDING SELECTION AND APPOINTMENT DIRECTORS**

- 4.1 With respect to the selection and appointment of directors the Remuneration, Selection and Appointment Committee is within the Board especially charged with the following:
- (a) to draft selection criteria and appointment procedures for Directors;<sup>2</sup>
  - (b) to assess at least once a year the size and composition of the Board, and to make proposals for the Board Profile;<sup>3</sup>
  - (c) to assess at least once a year the functioning of individual Directors, and report their findings to the Board;<sup>4</sup>
  - (d) to draft a plan for the succession of Directors, that is aimed at retaining the balance in the requisite expertise, experience and diversity;<sup>5</sup>
  - (e) to make proposals for (re)appointments;<sup>6</sup>
  - (f) to supervise the policy of the Board on the selection criteria and appointment procedures for Senior Management Team;<sup>7</sup>

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision 3.2.2.

<sup>2</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part i.

<sup>3</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part ii.

<sup>4</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part iii.

<sup>5</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part iv and best practice provision 2.2.4.

<sup>6</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part v.

<sup>7</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part vi.

- (g) to prepare the decision-making process of the Board on the acceptance by an Executive Director of the membership of the supervisory board or of the position of non-executive director of a listed company;
  - (h) to evaluate the Company's governance and reporting the results thereof to the Board; and
  - (i) to prepare the decision-making process of the Board concerning any conflicts of interest that may arise in the acceptance by Directors of additional positions.
- 4.2 In the conduct of their duties referred to in Clause 3.1, the Remuneration, Selection and Appointment Committee takes the diversity policy of the Company into consideration.
- 4.3 When exercising its duties regarding the composition of the Board, the Remuneration, Selection and Appointment Committee shall observe the criteria on the composition of the Board as laid down in clause 1 of the By-Laws of the Board.
- 4.4 The Remuneration, Selection and Appointment Committee may only exercise such powers as are explicitly attributed to it by the Board and may never exercise powers beyond those exercisable by the Board as a whole.

## **5. MEETINGS**

- 5.1 The Remuneration, Selection and Appointment Committee shall meet as often as required for a proper functioning of the Remuneration, Selection and Appointment Committee. The Remuneration, Selection and Appointment Committee shall meet at least twice a year. The Remuneration, Selection and Appointment Committee shall meet earlier if this is deemed necessary by the chairman of the Remuneration, Selection and Appointment Committee, or by two other members of the Remuneration, Selection and Appointment Committee.
- 5.2 Meetings of the Remuneration, Selection and Appointment Committee may be held by telephone, videoconference or other electronic forms of direct communication.
- 5.3 Meetings of the Remuneration, Selection and Appointment Committee are in principle called by the secretary of the Remuneration, Selection and Appointment Committee in consultation with the chairman of the Remuneration, Selection and Appointment Committee, at a reasonable notice period. Save in urgent cases, to be determined by the chairman of the Remuneration, Selection and Appointment Committee, the agenda for the meeting shall be sent one week before the meeting to all members of the Remuneration, Selection and Appointment Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.
- 5.4 The chairman of the Remuneration, Selection and Appointment Committee shall set the agenda and chair the meeting of the Remuneration, Selection and Appointment Committee.
- 5.5 The Remuneration, Selection and Appointment Committee shall decide if and when the CEO should attend its meetings. In addition, the head of the HR department of the Company and/or independent experts may be invited to attend meetings of the Remuneration, Selection and Appointment Committee. Each Non-Executive Director may attend meetings of the Remuneration, Selection and Appointment Committee.
- 5.6 Each member of the Remuneration, Selection and Appointment Committee has the right to cast one vote. All resolutions must be adopted by an absolute majority of the votes cast. If there is a tie in voting, the chairman of the Remuneration, Selection and Appointment Committee shall have a casting vote.

5.7 Any person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Remuneration, Selection and Appointment Committee.

## **6. REPORTING TO THE BOARD**

6.1 The Remuneration, Selection and Appointment Committee must inform the Board in a clear and timely manner about the way it has used its powers and of major developments in the area of its responsibilities.

6.2 The Board shall receive from the Remuneration, Selection and Appointment Committee a report of its deliberations and findings.<sup>8</sup> The reports of the meetings of the Remuneration, Selection and Appointment Committee shall be circulated as soon as possible after the meeting among all Directors.

6.3 If requested, the chairman of the Remuneration, Selection and Appointment Committee shall at meetings of the Board provide the Board with further information on the outcome of the discussions of the Remuneration, Selection and Appointment Committee.

6.4 Every Non-Executive Director shall have unrestricted access to all records of the Remuneration, Selection and Appointment Committee.

## **7. MISCELLANEOUS**

7.1 The chairman of the Remuneration, Selection and Appointment Committee (or one of the other Remuneration, Selection and Appointment Committee members) shall be available to answer questions regarding the Remuneration, Selection and Appointment Committee's activities at the General Meeting of Shareholders. The Board may occasionally decide not to comply with these terms of reference, subject to applicable law and regulations.

7.2 The Remuneration, Selection and Appointment Committee shall review and reassess the adequacy of these terms of reference annually, report its assessment to the Board and recommend, where appropriate, any proposed changes to the Board.

7.3 The Board can at all times amend these terms of reference and/or revoke any powers granted by it to the Remuneration, Selection and Appointment Committee.

7.4 Clauses 31.4 to 31.7 inclusive of the By-Laws of the Board apply by analogy to the Remuneration, Selection and Appointment Committee, while for the application of these terms of reference the power of the Board or the Chairman referred to in these clauses of the By-Laws of the Board, is considered a power of the Remuneration, Selection and Appointment Committee or the chairman of the Remuneration, Selection and Appointment Committee.

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<sup>8</sup> Dutch Corporate Governance Code, best practice provision 2.3.5.