

## **APPOINTMENT PROCEDURE FOR NV AND PLC DIRECTORS**

### **Composition of the NV and the PLC Board**

The Board of directors should consist of one or more Executive Directors and Non-Executive Directors for NV and a minimum of two Directors for PLC. Corporate Governance Codes in the Netherlands and the UK provide that there should be a majority of Non-Executive Directors on the Board of listed companies. Since 9 May 2006 the Boards NV and PLC have consisted of four Executive Directors and ten Non-Executive Directors.

All of the Executive and Non-Executive Directors retire each year at the annual general meetings of NV and PLC. They are appointed by the annual general meeting of shareholders of NV and PLC.

Persons are only eligible to be elected as Directors of NV and PLC if they are:

- i) Recommended by the Board; or
- ii) A resolution to appoint that person as a Director has been requisitioned by shareholders

Where a resolution to appoint a person as a Director is passed at a general meeting of shareholders such appointment shall not become effective until a resolution to appoint such person as a Director has been passed at the corresponding general meeting of NV or PLC.

### **How do Shareholders Requisition a Resolution to appoint a Director?**

**NV** - on the written proposal<sup>1</sup> of one or more shareholders (or holders of depositary receipts for shares) holding at least 1% of the NV share capital<sup>2</sup> or holding NV shares (or depositary receipts) representing a market value of more than € 50 million<sup>3</sup>, and written confirmation has been received from that person confirming that he accepts the nomination and is prepared to accept a nomination also to be appointed as a Director of PLC.

As stated above a resolution to appoint a Director to the Board of NV only becomes effective at such time as the person is appointed a Director of PLC. If the appointment does not take place at the corresponding general meetings of both NV and PLC (meaning the relevant meetings which are closest in time), the appointment will not become effective.

**PLC** - Shareholders who together hold shares representing at least 5% of the total voting rights of PLC<sup>4</sup>, or 100 shareholders who hold on average £100 each in nominal value of PLC capital, can require PLC to propose a resolution at a General Meeting. PLC shareholders holding in aggregate one tenth of the issued ordinary shares of PLC are able to convene a general meeting of PLC.

As stated above a resolution to appoint a Director to the Board of PLC only becomes effective at such time as the person is appointed a Director of NV. If the appointment does not take place at the corresponding general meetings of both NV and PLC (meaning the relevant meetings which are closest in time), the appointment will not become effective.

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<sup>1</sup> The proposal has to be notified to the board of directors of NV not later than 60 days before the date of the general meeting and provided that there is not an important interest of NV at stake which prohibits that such proposal is put on the agenda.

<sup>2</sup> Since 22 May 2006 1% of the NV share capital amounts to € 3,889,840.

<sup>3</sup> i.e. 2,631,579 ordinary shares (or depositary receipts) based upon a share price of € 19.

<sup>4</sup> Since 22 May 2005 5% of the voting rights of PLC amounts to 65,507,818.05 shares.