

## Appendix A to the Supervisory Board Rules

# Profile of the Supervisory Board Koninklijke FrieslandCampina N.V.

## 1 General

- 1.1 This profile was prepared taking into account the nature of the Company's business and its activities and contains the mandatory profile of the Supervisory Board, following section 2:158 sub 3 DCC. The Company is a structure company (*'structuurvennootschap'*) as referred to in section 2:153 DCC.
- 1.2 This profile sets out:
  - (a) the size of the Supervisory Board;
  - (b) the desired expertise and background represented in the Supervisory Board;
  - (c) the desired diversity among Supervisory Board members; and
  - (d) the desired independence of Supervisory Board members.
- 1.3 The Supervisory Board considers this profile when preparing nominations of persons to be appointed as Supervisory Board members.
- 1.4 This profile is discussed with the Central Works Counsel and the General Meeting.
- 1.5 The Cooperative is the sole shareholder of the Company and this impacts the composition of the Supervisory Board.
- 1.6 At the level of the Cooperative the exemption as provided for in section 2:63d DCC is applied since the activities of the Cooperative mostly classify as holding activities. This results in an obligation for the Company to apply the legal requirements for large companies.
- 1.7 Section 2:158 sub 12 DCC allows deviations to the application of the provisions for the structure regime after prior approval by the Supervisory Board and the Central Works Counsel.

### 2.1 Size

The Supervisory Board shall consist of all nine (9) board members of the Cooperative as internal Supervisory Board members and at least four (4) external Supervisory Board members as further described under 2.3.3. This composition reflects the two-third dominance of internal members in a supervisory board, which is permitted by law for large cooperatives. This member dominance is reflected at the level of the Supervisory Board of the Company.

### 2.2 Composition

- 2.2.1 The desired composition of the Supervisory Board is such that the combined experience, expertise and diversity of the Supervisory Board members enables the Supervisory Board to best carry out its responsibilities.
- 2.2.2 The chairman of the Cooperative board will be appointed as Chairman of the Supervisory Board. The vice-chairman of the Cooperative Board will be appointed as Vice-Chairman of the Supervisory Board.

## 2.3 Diversity

- 2.3.1 The desired composition of the Supervisory Board complies with the Company's diversity policy, which is included in this article 2.3.
- 2.3.2 The goal is to create a balanced composition of the Supervisory Board, where a combination of experience, background, expertise and independence creates the best possible conditions for Supervisory Board members to fulfill their task and responsibilities towards the Company and its stakeholders. The envisaged composition is impacted by the extraordinary governance structure of the Company with the Cooperative as its sole shareholder and its mainly Dutch member farmers.
- 2.3.3 As mentioned under 2.1 the Supervisory Board shall consist of all nine (9) board members of the Cooperative, who are the internal Supervisory Board Board members. This ensures diversity in experience and expertise between the internal Supervisory Board Members and the external Supervisory Board members, for whom the requirements for experience and expertise are mentioned under 2.5.2.
- 2.3.4 Apart from a balanced composition in general, a balanced male-female participation in the Supervisory Board is envisaged, with a goal to have at least 30% male and female Supervisory Board members.
- 2.3.5 In case the composition of the Supervisory Board in any year is not compliant with the before mentioned aspects of the diversity policy and the requirement by law, then an explanation will be included in the annual report and Supervisory Board Report therein, (i) why the composition is not balanced, (ii) how the Company has tried to come to a balanced composition and (iii) how the Company envisages to achieve a balanced composition in the future.

## 2.4 Independence

- 2.4.1 The external Supervisory Board members are independent. The internal Supervisory Board members are not considered independent.
- A Supervisory Board member is not considered independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:
- has been an employee or member of the Executive Board of the Company (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht*) in the five years prior to the appointment;
  - 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;
  - 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;
- d. is a member of the management board of a company in which a member of the Executive Board of the Company which he supervises is a supervisory board member;
  - e. has temporarily performed management duties during the previous twelve months in the absence or incapacity of Executive Board members;
  - f. 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;
  - g. 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.

## 2.5 External Supervisory Board Members

2.5.1 The external Supervisory Board Members will be selected based on their personal characteristics and qualities on the one side and the need for their expertise from the Company on the other side. Each of the external Supervisory Board members must be able to comprehend the main topics of the strategy of the Company.

2.5.2. The external Supervisory Board members will be selected based on the following criteria:

- Experience with the day-to-day functioning of a supervisory board
- Insight in and experience with the international corporate environment
- Understanding of human resources and remuneration of large international companies (*social profile*)

At least one of the external Supervisory Board members is a financial expert, with knowledge of and experience in financial administration, accounting policies, internal control and risk management.

### ***Right Central Works Council***

2.6.1 The right of recommendation of the Central Works Council as described in section 17 of the Articles of Association is applicable to (re)appointment of both internal and external Supervisory Board members, while taking into consideration the provisions of 2.6.2 and 2.6.3 hereafter.

2.6.2 With regard to the internal Supervisory Board members and the financial expert as mentioned in 2.5.2, the Central Works Council will on principle not use its right for recommendation.

2.6.3 With regard to half of the external Supervisory Board members (not including the financial expert) the Central Works Council has an increased power of recommendation as described in section 17, paragraph 4 and 5 of the Articles of Association. In the event the number of external Supervisory Board members is not dividable by two, the nearest lower number dividable by two is applicable, however the minimum number of external Supervisory Board members the increased power of recommendation is applicable to, is two.

When using the increased power of recommendation, the Central Works Council will take into consideration the general requirements as described in 2.5.2 and especially ensure that one of the recommended candidates has the expertise as described under 2.5.2 as the social profile.

When a recommended candidate meets the criteria of the before mentioned social or general profile, he or she will be appointed, unless the Supervisory Board provides motivation why the recommended candidate does not fulfill the necessary criteria to fulfill the position and therefore is not considered fit.

In case the recommended candidate is not appointed, the Central Works Council has the right to recommend a new candidate.