



CHARTER OF THE SELECTION, APPOINTMENT AND REMUNERATION COMMITTEE

**OF
B&S GROUP S.A.**

This Charter was adopted by the Supervisory Board on 24 August 2018



Due to the fact that legislation and regulations may change, this Charter may be amended from time to time by the Supervisory Board.

1. DEFINITIONS

The words and expressions used in this charter have the following meaning:

- "**Chairman**": the chairman of the Committee;
- "**Charter**": the charter of the Committee;
- "**Code**": the Dutch Corporate Governance Code;
- "**Committee**": the selection, appointment and remuneration committee of the Company;
- "**Company**": B&S Group S.A.;
- "**Executive Board**": the executive board of the Company;
- "**General Meeting**": the Company's general meeting of shareholders;
- "**Supervisory Board**": the supervisory board of the Company.

2. PURPOSE

The Committee is appointed by the Supervisory Board with the purpose to:

- (a) assist the Supervisory Board in supervising the Executive Board with respect to the Company's compensation programs and compensation of the Company's senior management and other personnel;
- (b) make proposals for the remuneration of the individual members of the Executive Board and the Supervisory Board;
- (c) produce a report at least annually on compensations which are to be granted by the Company for discussion at Supervisory Board meetings; and
- (d) assist the Supervisory Board with the selection and appointment procedures for the members of the Executive Board and the Supervisory Board.

3. ORGANISATION

- 3.1. The Committee shall be comprised of at least two members of the Supervisory Board.
- 3.2. The members of the Committee shall be appointed by the Supervisory Board. The Committee aims to have a composition which is in accordance with the independence requirements of the Code.



- 3.3. The Chairman shall be appointed by the Supervisory Board. The Chairman shall not be the chairman of the Supervisory Board or a former member of the Executive Board.
- 3.4. The members of the Committee shall serve until such member's successor is duly elected or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by the Supervisory Board.

4. MEETINGS

- 4.1. The Committee meets at least once annually and more frequently as circumstances dictate.
- 4.2. The Chairman or any other member of the Committee may call meetings of the Committee with due observance of a reasonable notice period. The person calling the meeting may determine the agenda (taking into account requests, if any, from other members of the Committee).
- 4.3. Meetings of the Committee may be held physically, or by telephone or via videoconferencing facilities provided that each member of the Committee taking part in such meeting is able to hear the deliberations and can be heard by the other members of the Committee.
- 4.4. If the Committee consists of two members, it shall act only on the affirmative vote of all members. The members of the Committee should endeavour to resolve all matters of disagreement between themselves. In the case of a deadlock, they shall refer the matter to the chairman of the Supervisory Board who shall cast the deciding vote. If the Committee consists of three members, it must strive for consensus in connection with any proposal or recommendation to be given to the Supervisory Board. If no consensus can be reached within the Committee, recommendations to the Supervisory Board are based on a majority of votes and the dissenting opinion(s) will be mentioned in the proposal or recommendation of the Committee to the Supervisory Board.
- 4.5. As part of its review and establishment of the performance criteria and compensation of the members of the Executive Board, senior management, and other personnel, the Committee should meet separately at least once a year with the Chief Executive Officer of the Company, the Company's principal human resources executive, and any other corporate officers, as it deems appropriate. In all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.
- 4.6. It is expected that the chief executive officer of the Company will be present at regular Committee meetings, unless otherwise decided by the Committee. The Committee may invite to its meetings any member of the Supervisory Board and Executive Board, the general management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.



5. RESPONSIBILITIES AND DUTIES

- 5.1. The functions listed in this Section 5 shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section 2 of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Supervisory Board from time to time related to the purposes of the Committee outlined in Section 2 of this Charter, all in due observance of clause 5.2 below.
- 5.2. The Committee's authorities are limited to making proposals and recommendations to the Supervisory Board and shall not include the right to adopt resolutions on behalf of the Supervisory Board.
- 5.3. The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate for the fulfilment of its responsibilities and duties and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the reasonable fees payable to such counsel or experts and any other terms of retention. The engagement of outside counsel or other experts requires the prior approval of the full Supervisory Board. In the event the Committee retains a compensation consultant, the Committee shall be authorized to approve such consultant's reasonable fees and other retention terms. If the Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant does not also provide advice to the members of the Executive Board.
- 5.4. The Committee is responsible for:

(A) Responsibilities and duties with regard to remuneration

Setting remuneration policy and compensation standards

- (a) preparing a proposal for the Supervisory Board concerning the remuneration policy for the Executive Board to be adopted by the General Meeting;
- (b) assisting the Executive Board and Supervisory Board with the establishment and review of the overall compensation strategy of the Company, and ensuring that the compensation strategy is competitive and is structured to attract and retain key staff of the required quality;
- (c) assisting the Supervisory Board in reviewing and approving corporate goals and objectives relevant to compensation of the members of the Executive Board, senior management, and other personnel, including annual performance objectives;
- (d) assisting the Supervisory Board and/or the Executive Board, as applicable, in evaluating the performance of the members of the Executive Board and senior management, in light of these goals and objectives and, based on such evaluation, review the annual salary, bonus, equity participation, if any, and other benefits, direct and indirect, of the members of the Executive Board and senior management;
- (e) in connection with compensation programs:



- (i) reviewing and recommending to the Supervisory Board and/or the Executive Board, as applicable, new compensation programs;
 - (ii) reviewing and recommending to the Supervisory Board and/or the Executive Board, as applicable, specific "Key Performance Indicators" and other metrics for compensation programs. Review on a periodical basis the operations of the Company's compensation programs to determine whether they are properly executed, and are achieving their intended purpose(s);
 - (iii) reviewing and recommending to the Supervisory Board and/or the Executive Board, as applicable, policies for the administration of compensation programs; and
 - (iv) proposing modifications to any compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance;
- (f) reviewing and recommending to the Executive Board policies with respect to senior management perquisites;
- (g) reviewing and recommending to the Supervisory Board and/or the Executive Board, as applicable, compensation and expense reimbursement policies of members of the Executive Board and the Supervisory Board as well as managers and officer indemnifications and insurance matters.

Proposal concerning individual remuneration

- (h) preparing a proposal concerning the individual remuneration of the members of the Executive Board in accordance with the remuneration policy as adopted by the General Meeting, to be adopted by the Supervisory Board, taking into account the views of the individual members of the Executive Board with regard to the amount and structure of their own remuneration. The proposal shall in any event include (i) the remuneration structure, (ii) the amount of the fixed remuneration, (iii) the shares and/or options to be granted and/or other variable remuneration components, (iv) pension rights, (v) redundancy pay and other forms of compensation to be awarded, (vi) the performance criteria used and the application thereof, (vii) the scenario analyses that are carried out and (viii) the pay ratios within the Company and its affiliated business;
- (i) making a proposal to the Supervisory Board regarding the approval of remuneration for senior management of the Company with a monetary value in excess of EUR 150,000 per annum per individual.

Monitoring Incentive and Equity-Based Compensation Plans

- (j) reviewing and recommending to the Supervisory Board and/or the Executive Board, as applicable, with respect to the Company's incentive-compensation plans and equity-based plans, and oversee the activities of the individuals responsible for administering those plans;
- (k) monitoring compliance with the rules and guidelines of the Company's incentive or equity-based plans;
- (l) reviewing the Company's incentive compensation plans to determine whether they encourage excessive risk-taking, and to review and discuss annually the relationship between the Company's risk management policies and practices and its incentive compensation plans.



Remuneration Report

- (m) preparing the annual remuneration report of the Supervisory Board, taking into account, among other things, compliance with the Code. The annual remuneration report shall in any event describe:
 - (i) how the remuneration policy has been implemented in the previous financial year as well as an overview of the remuneration policy as it is envisaged to be in the upcoming financial years;
 - (ii) how the implementation of the remuneration policy contributes to the achievement of long-term value creation, in keeping with the risk profile of the Company;
 - (iii) that scenario analyses have been taken into consideration;
 - (iv) the pay ratios applied by the Company and, if applicable, any changes in these ratios in comparison with the previous financial year;
 - (v) in the event that a member of the Executive Board 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 member of the Executive Board receives a severance payment, the reason for this payment.
- (n) the annual remuneration report of the Supervisory Board shall be published on the Company's website.

(B) Responsibilities and duties with regard to selection and appointment

- (a) preparing the Supervisory Board's decision-making in respect of selection and appointment related matters;
- (b) drawing up selection criteria and appointment procedures for the members of the Executive Board and Supervisory Board;
- (c) periodically assessing the size and composition of the Executive Board and the Supervisory Board, and making a proposal for the profile of the Supervisory Board;
- (d) periodically assessing the functioning of individual members of the Executive Board and the Supervisory Board and reporting the results to the Supervisory Board;
- (e) preparing a proposal for the plan for the succession of members of the Executive Board and Supervisory Board;
- (f) proposing or recommending to the Supervisory Board (a) the individuals to be proposed to the General Meeting for appointment and reappointment as member of the Executive Board or the Supervisory Board and (b) for the appointment by the Supervisory Board of the members of the committees of the Supervisory Board, provided that



the Committee shall make such proposal or recommendation with due observance of the relevant provisions of the relationship agreement between the Company and certain shareholders of the Company dated 9 March 2018;

- (g) supervising the manner in which the Executive Board determines and conducts the selection criteria and appointment procedures for senior management; and
- (h) performing an annual review of succession and development planning for executive officers.

(C) Reports

- (a) maintain minutes or other records of meetings and activities of the Committee; and
- (b) report regularly to the Supervisory Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The Chairman shall report to the Supervisory Board on the activities, findings and recommendations of the Committee. Reports can be verbal or written. Minutes of all Committee meetings will be circulated among the members of the Supervisory Board.

6. ANNUAL PERFORMANCE EVALUATION

The Committee performs a review and evaluation, at least annually, of the performance of the Committee and its members, including the review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Supervisory Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate. In addition, the annual assessment of the workings of the Committee and the performance of its members form a part of the annual overall assessment of the Supervisory Board and its members.

7. MISCELLANEOUS

- 7.1. This Charter is prepared on the basis of the articles of association of the Company and] the rules for the Supervisory Board. Article 9 of the rules for the Supervisory Board shall apply mutatis mutandis to this Charter.
- 7.2. This Charter may only be amended by the Supervisory Board.
- 7.3. This Charter and the composition of the Committee shall be published on the website of the Company.

