



# **CHARTER OF THE SELECTION, APPOINTMENT AND REMUNERATION COMMITTEE**

**BASIC-FIT**

This Charter was adopted by the Supervisory Board  
on 10 December 2019

## 1. DEFINITIONS

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

- 8 **“Articles of Association”**: the articles of association of the Company;
- 8 **“Chairman”**: the chairman of the Committee;
- 8 **“Charter”**: the charter of the Committee;
- 8 **“Code”**: the Dutch Corporate Governance Code, as amended from time to time;
- 8 **“Committee”**: the selection, appointment and remuneration Committee of the Company;
- 8 **“Company”**: the company with limited liability Basic-Fit N.V., with seat in Hoofddorp, the Netherlands;
- 8 **“General Meeting”**: the Company’s general meeting;
- 8 **“Management Board”**: the management board of the Company;
- 8 **“Rules”**: the Supervisory Board rules;
- 8 **“Supervisory Board”**: the supervisory board of the Company.

## 2. PURPOSE

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

- (1)** assist the Supervisory Board in supervising the Management Board with respect to the Company’s compensation programs and compensation of the Company’s managers and executive officers;
- (2)** make proposals for the remuneration of the individual members of the Management Board and the Supervisory Board;
- (3)** produce a report at least annually on compensations which are to be granted by the Company for discussion at Supervisory Board meetings; and
- (4)** assist the Supervisory Board with the selection and appointment procedures for the members of the Management Board.

## 3. ORGANIZATION

**3.1.** The Committee shall consist of three members of the Supervisory Board.

**3.2.** The members of the Committee, including the Chairman, shall be appointed by the Supervisory Board. The majority of the members of the Committee must be independent within the meaning of the Code. The Chairman may not be the chairman of the Supervisory Board or a former member of the Management Board.

**3.3.** 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. The Chairman shall report to the Supervisory Board on the activities, deliberations, findings and recommendations of the Committee. Reports can be verbal or written.

## 4. MEETINGS

**4.1.** The Committee shall meet at least twice annually, or 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.** As part of its review and establishment of the performance criteria and compensation of the members of the Management Board, executive officers, 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.

**4.4.** 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.

**4.5.** A majority of the members of the Committee must participate to transact business.

**4.6.** The Committee strives 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.

**4.7.** The Committee may invite to its meetings any member of the Management Board, the general management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

**4.8.** All members of the Supervisory Board have a standing invitation to join Committee meetings.

## **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. 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.

**5.4.** To further the purpose set out in Section 2 of this Charter, the Committee shall:

### **(A) Responsibilities and duties with regard to remuneration**

#### **Setting remuneration policy and compensation standards**

**(1)** Prepare a proposal for the Supervisory Board concerning the remuneration policy for the Management Board and the Supervisory Board to be adopted by the General Meeting.

**(2)** Assist the Management 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.

**(3)** Assist the Supervisory Board in reviewing and approving corporate goals and objectives relevant to compensation of the members of the Management Board, executive officers, and other personnel, including annual performance objectives.



**(4)** Assist the Supervisory Board and/or the Management Board, as applicable, in evaluating the performance of the members of the Management Board and executive officers, in light of these criteria 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 Management Board and other executive officers.

**(5)** In connection with compensation programs:

**(a)** review and recommend to the Supervisory Board and/or the Management Board, as applicable, new compensation programs;

**(b)** review and recommend to the Supervisory Board and/or the Management 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);

**(c)** review and recommend to the Supervisory Board and/or the Management Board, as applicable, policies for the administration of compensation programs; and

**(d)** propose modifications to any compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.

**(6)** Review and recommend to the Management Board policies in the area of senior management perquisites.

**(7)** Review and recommend to the Supervisory Board policies and procedures pertaining to expense accounts of members of the Management Board and Supervisory Board.

**(8)** Review and recommend to the Supervisory Board and/or the Management Board, as applicable, compensation and expense reimbursement policies of members of the Management Board and Supervisory Board as well as managers and officer indemnifications and insurance matters.

#### **Proposal concerning individual remuneration**

**(1)** Preparation of a proposal concerning the individual remuneration of the members of the Management 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 Management 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 enterprise.

**(2)** Make a proposal to the Supervisory Board regarding the approval of remuneration for executive officers of the Company with an annual gross base salary in excess of EUR 200,000 per annum per individual.

#### **Monitoring Incentive and Equity-Based Compensation Plans**

**(1)** Review and recommend to the Supervisory Board and/or the Management 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.

**(2)** Monitor compliance with the rules and guidelines of the Company’s incentive or equity-based plans.

**(3)** Review 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

**(1)** Prepare 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 Management 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 Management Board receives a severance payment, the reason for this payment.

**(2)** Monitor compliance with the provisions relating to (preparation and publication of) the annual remuneration report within the meaning of section 2:135b of the Dutch Civil Code.

**(3)** The annual remuneration report within the meaning of section 2:135b of the Dutch Civil Code and the annual remuneration report of the Supervisory Board may be combined into one remuneration report. The report(s) shall be published on the Company's website.

## Other

**(1)** Select, retain and/or replace, as needed, compensation and benefits consultants and other outside consultants to provide independent advice to the Committee. In that connection, 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 Management Board.

## **(B) Responsibilities and duties with regard to selection and appointment:**

- (1)** Prepare the Supervisory Board's decision-making in respect of selection and appointment related matters.
- (2)** Draw up selection criteria and appointment procedures for the members of the Management Board and Supervisory Board.
- (3)** Periodically assess the size and composition of the Management Board and the Supervisory Board, and making a proposal for the profile of the Supervisory Board.
- (4)** Periodically assess the functioning of individual members of the Management Board and the Supervisory Board and reporting the results to the Supervisory Board.
- (5)** Prepare a proposal for the plan for the succession of members of the Management Board and Supervisory Board.

**(6)** Propose or recommend to the Supervisory Board (a) the individuals to be proposed to the General Meeting for appointment and reappointment as member of the Management 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 27 May 2016.

**(7)** Supervise the manner in which the Management Board determines and conducts the selection criteria and appointment procedures for senior management.

**(8)** Perform an annual review of succession and development planning for executive officers.

#### **(C) Reports**

**(1)** 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.

**(2)** Maintain minutes or other records of meetings and activities of the Committee.

### **6. ANNUAL PERFORMANCE EVALUATION**

The Committee shall perform 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 and the Rules. Article 16 of the Rules 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.

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