Netherlands

2025 Benchmark Policy Guidelines

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Guidelines Introduction

These guidelines are intended to supplement Glass Lewis' *Continental Europe Benchmark Policy Guidelines* by highlighting the key policies that we apply specifically to companies listed in the Netherlands and the relevant regulatory background to which Dutch companies are subject, where they differ from Europe as a whole. Given the growing convergence of governance regulations and practices across companies subject to European Union rules and directives, Glass Lewis combined our general approach to Continental European companies in a single set of guidelines, the *Continental Europe Benchmark Policy Guidelines*, which set forth the underlying principles, definitions and global policies that Glass Lewis uses when analysing Continental European companies.

While our approach to issues addressed in the *Continental Europe Benchmark Policy Guidelines* are not repeated here, we will clearly indicate in these guidelines when our policy for Dutch companies deviates from the *Continental Europe Benchmark Policy Guidelines*.

Corporate Governance Background

Company law in the Netherlands is primarily governed by Book 2 of the Dutch Civil Code (Burgerlijk Wetboek), providing the legislative framework for Dutch corporate governance. Best practices for Dutch corporate governance are primarily defined by the Dutch Corporate Governance Code (the Code) which was first published in December 2003 and updated in 2008 to comply with the Decree on December 26, 2008, implementing European Directive 2007/36/CE on Shareholders' Rights. The Code is published by the Corporate Governance Code Monitoring Committee (also known as the Frijns Committee). The Code contains: (i) legal provisions; (ii) comply-or-explain provisions; and (iii) recommendations.

Since the implementation of European Directive 2007/36/CE on Shareholders' Rights in 2008, the Dutch Corporate Governance Code Monitoring Committee has conducted two consultation periods, throughout 2016, which resulted in an updated Code in 2017, and most recently in 2022. The latest version of the revised Dutch Corporate Governance Code was enshrined into Dutch law on December 20, 2022.

Regulatory Updates

Tighter Controls on Cross-Border Restructurings

As of September 1, 2024, the Netherlands has adopted the Act on Cross-Border Conversions, Mergers and Demergers. The Act, which transposes the EU Mobility Directive in Dutch legislation, provides clear guidelines for Dutch private and public limited liability companies (*besloten vennootschappen* or BVs, and *naamloze vennootschappen* or NVs, respectively) for their future cross-border restructuring plans with another party incorporated in a Member State of the EU or the EEA.

One of the key elements introduced by the Act is a mechanism intended to prevent fraud, whereby civil law notaries may refuse to issue a pre-merger certificate if they establish that the transaction has unlawful or

fraudulent purposes.[1] Companies will also be required to provide comprehensive documentation detailing the legal and economic impact of a proposed cross-border merger, demerger or conversion, resulting in the disclosure of more information for shareholders and employees at an earlier stage of the transaction. The board of each company involved in a restructuring will be obliged to draw up a notice addressing shareholders, creditors and the works council (or in the absence thereof, the employees) within five working days of the decision of a transaction.[2]

Shareholders will be entitled to contest the terms of a restructuring in cases where they believe the proposed consideration is inadequate. In addition, shareholders of a disappearing Dutch company which has entered a merger, who have also voted against the merger resolution, may lodge a request demanding compensation.[3]

Amendments to Resolution Process for Disputes with Shareholders

A bill to amend dispute resolution proceedings was submitted to the Dutch Council of State on April 21, 2023. The bill, which will enter into force on January 1, 2025, seeks to streamline and clarify the Dutch system for resolving shareholder disputes. Among other amendments, for companies with shares or depositary receipts trading on a regulated market, shareholders who represent at least 1% of the issued share capital or €20 million (previously shareholders representing a minimum of 10% of share capital or €225,000) will be entitled to submit a request for an inquiry proceeding to the Enterprise Chamber of the Court of Appeals in Amsterdam, before which dispute resolutions proceedings will be conducted.

Proposal for the Preparation of a Risk Management Statement

In December 2023, the supporting parties of the Dutch Corporate Governance Code ("DCGC") and the Royal Netherlands Institute of Chartered Accountants put forward a proposal for the addition of provisions to the DCGC regarding a formal risk management statement (verklaring omtrent risicobeheersing or "VOR"). The parties involved aim to have Dutch companies include a VOR within their board report for fiscal year 2025.

Key proposed amendments to the Code include the requirement for companies to report on the level of effectiveness of their internal control processes for operational and compliance risks. Further, in addition to existing best practice provisions of the Code on internal control mechanisms,[4] the amendments suggest the management board will be able to provide limited assurance (through internal controls) that the sustainability reporting does not contain material inaccuracies.

Further, it is proposed that the management board be accountable for the effectiveness of the internal control systems for operational, compliance and reporting risks, and for indicating which framework was applied.

Pending Transposition of CSRD into National Law

On November 20, 2023, the Dutch government published a draft bill for the transposition of the Corporate Sustainability Reporting Directive (CSRD) into national law. While the consultation period for the draft decree

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[1] Book 2, Article 333i of the Dutch Civil Code.
[2] Book 2, Articles 333e, 334mm and 335c of the Dutch Civil Code.
[3] Book 2, Article 333h of the Dutch Civil Code.
[4] Principle 1.4 of the Code.

expired in December 2023, the final version of the implementation decree is yet to be implemented by the Dutch government.

The current draft does not introduce any additional requirements beyond what the directive mandates, meaning companies will only need to meet EU standards without the addition of extra national obligations. Further, the draft foresees the ability to make use of some of the options provided to EU Member States under CSRD, including (i) allowing the omission of commercially sensitive information under exceptional circumstances, (ii) facilitating internal oversight of sustainability reporting by shifting the responsibility from the audit committee to the management or supervisory boards as a whole (or bodies established by either), and (iii) omitting the obligation for third-country subsidiaries to disclose information on the net turnover they have generated on Dutch territory and within the EU.

On July 4, 2024, the Dutch Authority for Financial Markets (AFM) published a guidance document outlining best practices and expectations for concerned companies' approach to double materiality assessment under CSRD. The AFM encourages companies to engage with stakeholders openly, apply internationally recognised frameworks for due diligence, such as the OECD Guidelines, and transparently connect their business activities to identifiable sustainability topics and value chain impacts.

Bill on Responsible and Sustainable International Business Conduct, Pending Transposition of CSDDD

On March 11, 2021, the Initiative on Responsible and Sustainable International Business was presented to the Dutch House of Representatives. The bill is intended to establish due diligence obligations to impede violations of human rights, labour rights and environmental standards in the context of international operations, aligning with the principles of the 2011 OECD Guidelines for Multinational Enterprises. The bill seeks to establish a baseline to ensure companies adhere to these international standards, with the intention of preventing and mitigating potential adverse impacts that may arise from international production chains.

The initiative bill was amended in September 2023 to shift responsibility from individual directors to companies and to clarify that companies are not required to report twice if they already fall under the scope of CSRD; a further memorandum of amendments was proposed in December 2023 to clarify the terms and level of harmonisation with the Dutch Civil Code and the EU Corporate Sustainability Due Diligence Directive ("CSDDD"). The bill largely aligns with the EU-level objectives regarding corporate due diligence, which are laid out in the CSDDD.

Progress on Virtual Meeting Legislation

On December 7, 2022, the Dutch government announced the preparation of a legislative proposal allowing companies to hold virtual general meetings. The proposed legislation would replace the Dutch Temporary COVID-19 Emergency Act Justice and Security, which provided legal entities the possibility to hold virtual general meetings and expired on January 1, 2023.

The new legislation aims to simplify and regulate the use of electronic means, complementing the existing option of hybrid meetings.

Once this bill goes into force, companies who intend to avail of these changes will have to amend their articles of association, obtain shareholder approval, and comply with certain requirements in order to hold meetings in a virtual format, namely:

- A virtual meeting must reflect a physical meeting as much as possible;
- Participants must be able to take part fully via digital means;

Members and shareholders must be able to participate directly using images and sound, and be able to speak. The bill was submitted to the Dutch lower house on January 15, 2024, and is currently under consideration. It is expected to come into effect on January 1, 2025.

Pending any significant amendments to the proposed regulation, our approach to virtual meetings in the Netherlands does not materially differ from the expectations set out in our *Continental Europe Benchmark Policy Guidelines*. Some Dutch companies may decide to preemptively seek shareholder approval to amend their articles in order to enable virtual meetings; irrespective of when this law comes into effect, we will examine each proposal pertaining to virtual meetings on a case-by-case basis.

Summary of Changes for 2025

Glass Lewis evaluates these guidelines on an ongoing basis and formally updates them on an annual basis. This year we have made noteworthy revisions in the following areas, which are summarized below but discussed in greater detail in the relevant sections of this document:

Hybrid or Restricted Share Plans

We have added a new section titled “Hybrid or Restricted Share Incentive Plans” to reference the benchmark policy’s views on the partial or full replacement of long-term performance-based incentive plans with long-term restricted share or ‘hybrid’ incentive plans. Our approach in this regard does not differ from the approach set out in the *Continental Europe Benchmark Policy Guidelines*.

Supervisory Board Remuneration

In line with our *Continental Europe Benchmark Policy Guidelines*, we have expanded this section to clarify that the benchmark policy may recommend shareholders to oppose substantial increases to fees for members of the supervisory board absent a compelling rationale for the increase, particularly in cases where the current or proposed fees exceed those paid to market peers.

A Supervisory Board that Serves the Interests of Shareholders

Election of Board Members

Under Dutch law, companies that meet certain thresholds[5] of share capital and number of employees are considered to be "large companies" (*grote naamloze vennootschappen*) and are required to implement the "structure regime" (*structuurvennootschap*), which stipulates either a one-tier or two-tier board structure.

Under this regime, both shareholders and the works council[6] may propose candidates to the supervisory board.[7] Management board members may be elected either by the supervisory board or by shareholders in the so-called "mitigated structure regime," which applies only to companies that are subsidiaries of international corporations.[8] A company that is not required to adopt a two-tier board structure by law may elect to voluntarily implement one.[9]

Unless otherwise provided by these guidelines, any and all rules applicable to a company governed by a two-tier board structure will apply to a company that is governed by a one-tier board structure. Accordingly, in the case of a company governed by a one-tier board structure, the term "supervisory board" will refer to the board of directors.

Independence

In the Netherlands, we typically categorise supervisory board members into two categories based on an examination of the type of relationship they have with the company:

[5] According to Book 2, Article 153(2) of the Dutch Civil Code, in order to qualify as a "large company," a company must have an issued capital of at least €16 million, employ at least 100 workers in the Netherlands and must have established a "Works Council" pursuant to the Works Council Act of 1979.

[6] The works council is a body composed of employees within an enterprise that represents employees' interests and rights.

[7] Book 2, Article 158(6) of the Dutch Civil Code. Shareholders, however, may reject such nominations by a simple majority of the votes cast if the votes represent at least one third of the issued capital.

[8] Book 2, Article 153(3) of the Dutch Civil Code.

[9] Book 2, Article 140 of the Dutch Civil Code.

Independent Supervisory Board Member — An independent supervisory board member has no material[10] financial, familial[11] or other current relationships with the company,[12] its independent auditor, its executives, or other board members, except for board service and standard fees paid for that service.

Affiliated Supervisory Board Member — An affiliated supervisory board member has a material financial, familial or other relationship with the company or its executives, but is not an employee of the company.[13] We typically consider directors affiliated if they:

- Have been employed by the company within the past five years;[14]
- Have — or have had within the last three years[15] — a material relationship with the company, either directly or as a partner, shareholder, director or senior employee of an entity that has such a relationship with the company;[16]
- Have temporarily managed the company during the previous twelve months when management board members were absent or unable to discharge their duties;[17]

[10] Per Glass Lewis' *Continental Europe Benchmark Policy Guidelines*, "material" as used herein means a relationship in which the value exceeds: (i) €50,000 (or 50% of the total remuneration paid to a board member, or where no amount is disclosed) for board members who personally receive remuneration for a professional or other service they have agreed to perform for the company, outside of their service as a board member. This limit would also apply to cases in which a consulting firm that is owned by or appears to be owned by a board member receives fees directly; (ii) €100,000 (or where no amount is disclosed) for those board members employed by a professional services firm such as a law firm, investment bank or large consulting firm where the firm is paid for services but the individual is not directly compensated. This limit would also apply to charitable contributions to schools where a board member is a professor, or charities where a board member serves on the board or is an executive, or any other commercial dealings between the company and the board member or the board member's firm; (iii) 1% of either company's consolidated gross revenue for other business relationships (e.g., where the board member is an executive officer of a company that provides services or products to or receives services or products from the company); (iv) 10% of shareholders' equity and 5% of total assets for financing transactions; or (v) the total annual fees paid to a board member for a personal loan not granted on normal market terms, or where no information regarding the terms of a loan have been provided.

[11] A director is an affiliate if the director has a family member who is employed by the company. According to Provision 2.1.8 of the Dutch Corporate Governance Code (Code), relatives up to the second degree are considered included in this category. Per Glass Lewis' *Continental Europe Benchmark Policy Guidelines*, familial relationships include a person's spouse, parents, children, siblings, grandparents, uncles, aunts, cousins, nieces, nephews, in-laws, and anyone (other than domestic employees) who shares such person's home.

[12] A company includes any parent or subsidiary in a group with the company or any entity that merged with, was acquired by, or acquired the company.

[13] If a company classifies a non-executive board member as non-independent, Glass Lewis will classify that board member as an affiliate.

[14] In our view, a five-year standard is appropriate because we believe that the unwinding of conflicting relationships between former management and directors is more likely to be complete and final after five years. However, Glass Lewis does not apply the five-year look back period to directors who have previously served as executives of the company on an interim basis for less than one year. In contrast, Glass Lewis may consider a look-back period irrelevant in cases where a former executive has other significant ties to the company, such as being a member of the founding family of the firm or a former executive who continues to receive variable remuneration.

[15] According to Provision 2.1.8(III) of the Code, business relationships in the year prior to the appointment are considered current for this purpose.

[16] Provision 2.1.8(III) of the Code.

[17] Provision 2.1.8(V) of the Code.

- Have served on the board for more than 12 years;[18]
- Own or control 10% or more of the company's share capital or voting rights[19] or are employed by or have a material relationship with a significant shareholder;
- Are a member of the management board at a company where a member of the management board of the company they supervise is a supervisory board member;[20]
- Hold cross-directorships or have significant links with other directors through their involvement with other companies.[21]

Additionally, the following category only applies to companies with a one-tier board structure:

> **Insider** — An inside director simultaneously serves as a director and as an employee of the company. This category may include a board chair who acts as an employee of the company or is paid as an employee of the company.

Voting Recommendations on the Basis of Board Independence for a Two-Tier Board

In accordance with Dutch governance standards, we generally recommend that all but one member of the board be independent.[22] In the event that more than one supervisory board member is an affiliate, we will typically recommend voting against some of the affiliated supervisory board members in order to satisfy the aforementioned threshold. However, we accept the presence of representatives of significant shareholders in proportion to their equity or voting stake in the company, as detailed in our *Continental Europe Benchmark Policy Guidelines*, so long as a majority of the members of the board are independent.

As outlined in our *Continental Europe Benchmark Policy Guidelines*, we refrain from recommending voting against directors who are not considered independent due to lengthy board tenure on that basis alone in order to meet recommended independence thresholds.

Voting Recommendations on the Basis of Committee Independence for a Two-Tier Board

We believe that the majority of the members who serve on a company's audit, remuneration and nominating committees should be independent.[23] We will take into account the company's ownership structure when evaluating the composition of these committees.

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[18] Provision 2.2.2 of the Code recommends that members serve on the supervisory board for a maximum of 12 years. The supervisory board should provide explanation for the proposed reappointment of any member who has already served for eight years.

[19] Provision 2.1.8(VI) of the Code.

[20] Provision 2.1.8(IV) of the Code.

[21] We do not apply a look-back period for this situation. The interlock policy applies to both public and private companies. On a case-by-case basis, we evaluate other types of interlocking relationships, such as interlocks with close family members of executives or within group companies. Further, we also review multiple board interlocks among non-insiders (i.e., multiple directors serving on the same boards at other companies) for evidence of a pattern of poor oversight.

[22] Provision 2.1.7(I) of the Code.

[23] Provision 2.3.4 of the Code.

Further, we will generally recommend voting against any audit and/or remuneration committee chair who: (i) is also the supervisory board chair;[24] or (ii) was a member of the management board during the previous five years.[25]

Voting Recommendations on the Basis of Board Independence for a One-Tier Board

The Dutch Code stipulates that the majority of one-tier board members must be non-executive, of which all but one must be independent.[26] Glass Lewis believes a board will be most effective in protecting shareholders' interests when at least a majority of board members are independent. Where 50% or more of the directors are affiliated and/or are insiders, we typically recommend voting against some of the affiliated and/or inside directors in order to satisfy the majority threshold.

Voting Recommendations on the Basis of Committee Independence for a One-Tier Board

Under a one-tier board structure, we believe only non-executive directors should serve on a company's audit, remuneration and nominating committees.[27] We believe a majority of the shareholder-elect members of the nominating committee should be independent of company management and other related parties. We accept the presence of representatives of significant shareholders on this committee in proportion to their equity or voting stake in the company.

We will recommend voting against any audit and/or remuneration committee chair who: (i) is also the board chair;[28] or (ii) is currently or was an executive director during the previous five years.[29]

Other Considerations for Individual Board Members

Our policies with regard to performance, experience and conflict-of-interest issues are not materially different from our *Continental Europe Benchmark Policy Guidelines*, with the following exception.

External Commitments

In accordance with our *Continental Europe Benchmark Policy Guidelines*, we typically recommend shareholders vote against a director who:

- Serves as an executive officer[30] of any public company while serving on more than one additional external public company board; or

[24] *Ibid.*
[25] Ibid.
[26] Provision 5.1.1 of the Code.
[27] Provision 5.1.4 of the Code.
[28] *Ibid*.
[29] *Ibid*.
[30] This policy applies to directors that serve in the top executive team of a publicly-listed company (i.e., executive committee, management board, etc.).

- Serves as a 'full-time' or executive member of the board[31] of any public company while serving on more than two additional external public company boards; or
- Serves as a non-executive director on more than five public company boards in total.

We will count non-executive board chair positions at European companies as two board seats given the increased time commitment generally associated with these roles.[32]

Further, as executive directors will presumably devote their attention to the company where they serve as an executive, we will generally not recommend that shareholders vote against the election of a potentially overcommitted director at the company where they serve in an executive function. Similarly, we will generally not recommend that shareholders vote against the election of a potentially overcommitted director at a company where they hold the board chair position, except where the director:

- Serves as an executive officer of another public company; or
- Holds board chair positions at three or more public companies; or
- Is being proposed for initial election as board chair at the company.

Nevertheless, we adopt a case-by-case approach on this issue, as described in our *Continental Europe Benchmark Policy Guidelines*.

Additionally, in line with Dutch law, management board members of a large company (*grote naamloze vennootschappen*) cannot hold more than two supervisory board positions in other large companies, or one chair position of a supervisory board or board of directors of another large company. Any supervisory board member or non-executive at a one-tier board is limited to five supervisory board memberships or non-executive positions at other large companies. Chair positions count as two supervisory board positions.[33]

Foundations (*Stichting administratiekantoor* "STAK" and *Stichting Continuïteit* "STICO") and Depository Receipts

Dutch law authorises the establishment of an administrative foundation (STAK), which is governed by a board of directors, to administer the shares in a company on behalf of the beneficial owners. STAKs issues depositary receipts for the shares to the beneficial owners but retain the actual shares. As the voting rights are attached to the shares and not the depositary receipts, STAKs are empowered to vote the shares directly without authorisation from the beneficial owners. The economic rights also lie with the shares; however, STAKs are obliged to pass on all financial benefits received from the shares to the depositary receipt holders. In order for depositary receipt holders to exercise their voting rights at general meetings, they must proactively request the right to do so.

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[31] This policy applies to directors that serve on a board in a 'full-time' or executive capacity without further defined responsibilities within the executive team (e.g., executive chair that is not a member of the executive committee without CEO responsibilities, or a non-executive chair that serves in the role in a full-time capacity).
[32] Book 2. Article 142(a) of the Dutch Civil Code specifies a limit of four external board mandates for board members. Chair positions are counted double.
[33] These limitations took effect on January 1, 2013, with the implementation of the Act of Management and Supervision of NV and BV Companies. The definition of a large company for this purpose differs from the one detailed in Footnote 1 above. To be considered a large company for the purpose of determining external board limitations, the value of a company's assets must exceed €17.5 million, net turnover must exceed €35 million, and the average number of employees in the Netherlands must be at least 250.

As STAKs are generally obliged to cast all unclaimed voting rights in favour of management at general meetings, we view STAKs' interests to be aligned with the company. As such, in general, we consider any member or former member (within the last three years) of a STAK's board, who has served in such a position for at least 12 years or has any other evident relationship to the company, as not independent. Additionally, when a company has not provided clear disclosure of the STAK's activities and remuneration, in accordance with best practice in the Netherlands, we will not consider such a candidate to be independent. Further, we will recommend voting against any board nominee who would remain serving simultaneously on the company's STAK while serving on the board of directors or supervisory board.

Continuity foundations (STICO) can also be used by Dutch issuers to thwart a takeover. This entity effectively functions as a poison pill. Typically, the STICO has the option to purchase most of the authorized, but unissued share capital in the event of a public takeover, crippling any takeover bids before they can succeed.

Finally, given that the structure of the foundations makes it inefficient for shareholders to exercise their rights, we generally favour proposals that seek to repeal depository receipts or restrict the functions of the foundations to minimise the potential for a conflict of interest for the board vis-a-vis unaffiliated shareholders.

Board Structure and Composition

Our policies with regard to board-level risk management oversight, board size and board diversity are not materially different from our *Continental Europe Benchmark Policy Guidelines*. In deviation from our *Continental Europe Benchmark Policy Guidelines*, we apply different standards for the election of former management board chairs to the supervisory board.

Separation of the Roles of Board Chair and CEO

According to the Code, the supervisory board chair should not be a former member of the company's management board.[34] Therefore, we will typically recommend voting against the new appointment of a chair who was a member of the management board during the previous five years, absent a compelling rationale from the company and an otherwise sufficiently independent board.

Furthermore, the board chair of a one-tier board structure may not be a current or former executive director.[35] Therefore, we will typically recommend voting against the new appointment of a chair who was an executive director during the previous five years, absent a compelling rationale from the company and an otherwise sufficiently independent board. When the chair is also currently an executive, we may recommend voting against the nominating committee chair, absent a compelling rationale from the company and an otherwise sufficiently independent board and/or a lead independent director.

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[34] Provision 2.1.9 of the Code.

[35] Provision 5.1.3 of the Code.

Change in Board Structure

Dutch companies are allowed to change their board structure from a two-tier to a one-tier board.[36] We will review any proposals to migrate from a two-tier to a one-tier board structure on a case-by-case basis. We may recommend voting against the proposal when we have serious concerns regarding the independence of the chair or the overall independence of the board following the change.

Board Size

Under Dutch law, companies with a two-tier system must have supervisory boards consisting of at least three members.[37] Companies with a one-tier system must have a board consisting of at least three non-executive members.[38]

Board Diversity and Inclusion

Our policies with regard to the diversity of ethnicity, national origin, and skills and experience are not materially different from what outlined in our *Continental Europe Benchmark Policy Guidelines*. The following are clarifications regarding best practice recommendations in the Netherlands regarding gender diversity in one and two-tier boards and corporate management bodies.

Gender Diversity at Board Level

In December 2022, the EU Directive on Gender Balance on Corporate Boards came into force and must be transposed by Member States into national law by December 2024. Member States are required to subject publicly-listed companies to the objective that at least 40% of non-executive positions, or 33% of an aggregate of executive and non-executive positions, be held by the underrepresented gender by June 30, 2026.

Dutch law requires that at least one-third of positions on the board of directors are held by the least-represented gender.[39] Companies that do not meet the quota will only be permitted to propose the election of directors of the least-represented gender to vacant board positions until the quota has been met. Exceptions are provided for directors that have served on the board for less than eight years that are standing for re-election, and in exceptional circumstances when it is deemed necessary to serve the long-term interests and sustainability of the company or to ensure its viability.

Dutch companies incorporated and listed in the Netherlands typically utilise a two-tier structure, with distinct oversight and executive bodies, taking the form of a supervisory board and a management board. Therefore, it should be noted that the gender quota law has been primed for the Dutch system, where the supervisory board can only comprise non-executive board members. Where a company implements a one-tier structure, where

[36] Royal Decree of June 6, 2011, amending Book 2 of the Dutch Civil Code. The law took effect on January 1, 2013.

[37] Book 2, Article 158.2 of the Dutch Civil Code.

[38] Book 2. Article 164a of the Dutch Civil Code.

[39] Book 2, Article 142b of the Dutch Civil Code. If the number of directors on the board is not divisible by three, the next higher number that is divisible by three shall be used to determine the required minimum number of directors of the least represented gender.

both executive and non-executive directors can serve on the board, the gender criteria only apply to non-executive board members.[40]

Additionally, as outlined in our *Continental Europe Benchmark Policy Guidelines*, we expect that the boards of all AEX and AMX companies be composed of at least 30% of gender diverse directors[41], and that the boards of all companies listed on a main market should contain at least one gender diverse director. Where a company makes use of one of the exceptions to the gender quota outlined above and at least one-third of board positions would not be held by the least-represented gender, we expect compelling rationale to be provided. Should a company fail to comply with the aforementioned, we will generally recommend that shareholders vote against the re-election of the nominating committee chair (or equivalent) or a new nominee to the board, as appropriate.

The law also requires that listed companies with more than 250 employees set "appropriate and ambitious targets" for the number of female executives and senior managers. Large companies (based on asset value, net turnover, and number of employees) are required to draw up a plan to achieve these goals and to report annually to the Social and Economic Council (SER) on their progress. While accounting for factors such as the size of the management board, we will consider recommending against the re-election of the nominating committee chair (or equivalent) or a new nominee to the board, as appropriate, in egregious cases where the targets are not met. In doing so, we will however also take into account any transparent discussion on measures taken to implement the gender policy at management board or below-board management level, the reasons why the goals were not met and the actions taken to remedy this.

The legislation discussed above is set to expire on January 1, 2030 and will be subject to a re-evaluation in 2027. In the re-evaluation, it will be decided whether the provisions will expire or be extended beyond the initial term.

Director Attendance Records

Glass Lewis believes that the regular attendance of directors at board and committee meetings is a core responsibility of directors to a company's shareholders. The Dutch Corporate Governance Code recommends that the attendance record of directors at board and committee meetings is disclosed on an annual basis.[42]

Where a company fails to ensure that clear, individualised director attendance records are disclosed, we will consider recommending that shareholders vote against the re-election of the governance committee chair (or equivalent).

Board-Level Oversight of Environmental and Social Risk

Glass Lewis believes that companies should ensure that boards maintain clear oversight of material risks to their operations, including those that are environmental and social in nature. Accordingly, for large-cap companies and in instances where we identify material oversight concerns, Glass Lewis will review a company's overall

[40] Book 2, Article 142b(3) of the Dutch Civil Code.
[41] Women, and directors that identify with a gender other than male or female.
[42] Provision 2.4.4 of the Code.

governance practices and identify which directors or board-level committees have been charged with oversight of environmental and/or social issues.

We will generally recommend voting against the governance committee chair (or equivalent) of AEX companies that fail to provide explicit disclosure concerning the board's role in overseeing material environmental and social issues.

Board Committees

In the Netherlands, audit committees are mandatory for listed companies, although the board as a whole may serve in the capacity of the audit committee.[43] The Code recommends that at least one member be a financial expert, with relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.[44] The Code also specifically recommends that boards comprising more than four individuals have separate audit, remuneration and nominating committees.[45] In line with our *Continental Europe Benchmark Policy Guidelines*, in the absence of remuneration or nominating committees,[46] we will generally recommend voting against the board chair on this basis; provided, however, that this will generally not apply to small-cap companies with boards composed of fewer than four members.

Our policies with regard to the formation of committees and committee performance are not materially different from our *Continental Europe Benchmark Policy Guidelines*.

Committee Composition and Performance

The Role of a Committee Chair

Glass Lewis believes that a designated committee chair maintains primary responsibility for the actions of his or her respective committee. As such, many of our committee-specific voting recommendations – as outlined in these guidelines and in further detail in our *Continental Europe Benchmark Policy Guidelines* -- are against the applicable committee chair rather than the entire committee (depending on the seriousness of the issue). In cases where the committee chair is not up for election due to a staggered board, and where we have identified substantial or multiple concerns, we will generally recommend voting against a long-serving committee member that is up for election, on a case-by-case basis. In cases where we would ordinarily recommend voting against a committee chair but the chair is not specified, we apply the following general rules, which apply throughout our guidelines:

- If there is no committee chair, we recommend voting against the longest-serving committee member or, if the longest-serving committee member cannot be determined, the longest-serving board member serving on the committee (i.e., in either case, the "senior director"); and

[43] Royal Decree of July 26, 2008.
[44] Provision 2.1.4 of the Code
[45] Provision 2.3.2 of the Code.
[46] Principle 2.3.2 of the Code recommends that companies with boards consisting of at least four members establish an audit committee, a remuneration committee and a nominating committee.

- If there is no committee chair, but multiple senior directors serving on the committee, we recommend voting against both (or all) such senior directors.

Expertise of Audit Committee Members

For an audit committee to function effectively on investors' behalf, it must include members with sufficient knowledge to diligently carry out their responsibilities. We believe that companies should clearly outline the skills and experience of the members of the audit committee, and that shareholders should be wary of audit committees that include members that lack the requisite expertise.

In the Netherlands, it is required that at least one member of the audit committee must have competence in the preparation and auditing of the financial statements.[47] When we have been unable to determine the representation of such expertise on the audit committee through the director biographies and disclosure provided by a company, we may recommend that shareholders vote against the re-election of the audit committee chair and/or other committee members standing for re-election.

Election Procedures

Our policies with regard to election procedures are not materially different from our *Continental Europe Benchmark Policy Guidelines*. The following are clarifications regarding best practice recommendations in the Netherlands.

Classified Boards and Term Limits

Dutch law requires that supervisory board members either resign or stand for re-election at least every four years.[48] As a result, most Dutch companies appoint supervisory board members for the full term allowable by law. Pursuant to the Code, the supervisory board should draw up a retirement schedule in order to avoid, as much as possible, a situation in which many supervisory board members retire at the same time.[49]

As further explained in our *Continental Europe Benchmark Policy Guidelines*, Glass Lewis supports the declassification of boards and the annual election of directors. Nevertheless, given market practice, we will generally accept the presence of staggered boards. We further note that the Code recommends that members be appointed to the supervisory board for a maximum of two terms of four years each, followed by two terms of two years each.[50]

[47] Provision 2.1.4 of the Code.
[48] Book 2, Article 161 of the Dutch Civil Code.
[49] Provision 2.2.4 of the Code.
[50] Provision 2.2.2 of the Code.

Transparency and Integrity in Financial Reporting

In the Netherlands, shareholders are required to approve a company's financial statements and the allocation of profits and dividends annually. Shareholders are also required to approve a company's choice of independent auditor. Our policies for these issues in the Netherlands do not deviate materially from Glass Lewis' *Continental Europe Benchmark Policy Guidelines*.

Accounts and Reports

As a routine matter, Dutch law requires that shareholders approve a company's annual and consolidated financial statements, within the four months following the close of the fiscal year, in order for them to be valid.[51]

Non-Financial Reporting

Although our approach does not deviate materially from our *Continental Europe Benchmark Policy Guidelines*, we note that best practice for non-financial reporting has converged more in the Netherlands than in most other countries. In line with market practice, we expect most large and midcap issuers to adopt a comprehensive reporting framework such as the International Integrated Reporting Framework. Similarly, large Dutch companies are typically expected to report explicitly on any connection between their strategy and the UN Sustainable Development Goals (SDGs). Where companies fail to provide meaningful reporting on environmental, social and governance risks to shareholder satisfaction, we may recommend voting against the chair of the committee responsible for reviewing sustainability or non-financial issues. If no committee is explicitly tasked with oversight of this function, we may recommend voting against the chair of the audit committee.

[51] Book 2, Article 101 of the Dutch Civil Code.

The Link Between Pay and Performance

Following the transposition of the SRD II into Dutch law, companies are required to submit their remuneration report for an annual advisory shareholder vote[52] and their remuneration policy for a binding vote at least every four years, or whenever changes are implemented.[53] Unless a Dutch company amends its statutes to stipulate a lower threshold, the remuneration policy must receive the support of at least 75% of votes cast to be approved. Our policies regarding these matters do not differ materially from our *Continental Europe Benchmark Policy Guidelines*. However, we do account for a company's compliance with best practice in the Netherlands, as described below, when evaluating these proposals.

Vote on Executive Remuneration (Say on Pay)

In general, there is a high level of compliance by Dutch companies with corporate governance recommendations and best practice regarding executive remuneration. It is common for variable remuneration at Dutch companies to be based on multiple performance metrics. Furthermore, sign-on bonuses and guaranteed bonuses are rare, and on average individual limits for variable remuneration are low when compared with the rest of Europe. Also, the supervisory board is authorised by law to recover any variable pay awarded based on incorrect data or reporting (i.e., clawback provision).[54] In addition, the Code recommends the following principles in the Netherlands, with which we believe most companies should comply:

- The remuneration report should include clear disclosure as to how shareholder votes on the remuneration report from the previous year have been considered during the year under review.[55] This is in line with the recommendations in our *Continental Europe Benchmark Policy Guidelines* which state that when 20% or more of minority shareholders vote contrary to the board's recommendation, the board should, depending on the issue, demonstrate some level of responsiveness to address shareholder concerns.
- Stock options or other performance-based equity awards are expected to have a vesting period of at least three years;[56] and
- There should be clear disclosure of the link between remuneration and sustainable long-term value creation, the pay ratio between the management board members and a reference group over a period of five fiscal years, the performance criteria for any variable remuneration awarded, the link between pay and performance and, in the event that there was a severance payment made, the rationale for it.[57]

Hybrid or Restricted Share Incentive Plans

Due to their exposure to international practice, some Dutch companies or companies with a listing in the Netherlands may adopt restricted share plans or 'hybrid' plans (i.e. plans consisting of both performance-based

[52] Book 2, Article 135b of the Dutch Civil Code
[53] Book 2, Article 135a of the Dutch Civil Code
[54] Book 2, Article 135 of the Dutch Civil Code.
[55] Book 2, Article 135(b)2 of the Dutch Civil Code.
[56] Provision 3.1.2(VII) of the Code.
[57] Provision 3.1.2 of the Code.

and time-restricted awards). Our benchmark policy is generally sceptical of a company's decision to either remove in full or reduce the performance-based portion of long-term incentive awards. However, we recognise that such plans may suit a company's particular needs. Our assessment of a board's decision to implement such plans is therefore taken on a case-by-case basis, considering the specific rationale provided by the board and the other safeguards outlined in our *Continental Europe Benchmark Policy Guidelines*.

In particular, safeguards aimed at strengthening the long-term alignment between executives' and shareholders' interests may include:

- A vesting period of at least three years and an additional post-vesting holding period;
- Significant shareholder requirements; and
- Underpins on the portions of the grant not based on performance.

Furthermore, where a company is amending its incentive structure to adopt a hybrid or restricted share plan (while removing or reducing the performance-based portion of the plan), we generally expect a substantial reduction in the total target and maximum award opportunity, appropriately reflecting the reduction in the risk profile of the plan.[58]

Social Acceptance

Specific to the transposition of SRD II into Dutch law, Dutch companies are required to explain how the identity, mission and values of the company, internal pay ratios and "social acceptance" are taken into account in their remuneration policies.[59] While the legislator did not provide specific guidance regarding an explanation of how social acceptance has been accounted for, emerging market practice in 2020 included information on specific stakeholder outreach campaigns (e.g., employees, shareholder representatives, regulatory and governmental authorities, proxy advisory firms, external advisors, peer firms, works councils and management board members). In particular, market leaders have provided information on the outcome of surveys, qualitative studies, and materiality assessments to help explain their remuneration philosophy and executive pay framework.

Glass Lewis believes that, in order to effectively comply with this provision in Dutch law, companies should provide meaningful disclosure on how the views of stakeholders have been taken into account when formulating or amending their remuneration policies. Where such information has not been provided in a company's remuneration policy or is not compelling, this will be regarded as a negative aspect of our overall assessment of the policy and may lead to a recommendation against the proposal.

Further, where pay levels are exceptionally high relative to Dutch peers, we expect a company to explicitly assess whether and how any stakeholder outreach has affected outcomes. Failure to provide a sufficiently

[58] Dutch corporate governance forum Eumedion (Corporate Governance Manual 2024, Annex to Appendix I) states that target opportunity under the incentive plan in question should be reduced by at least 50% when removing performance conditions. We generally expect the reduction in total award opportunity to be proportional to the reduction in the risk profile of the pay package; however, we assess proposed reductions on a case-by-case basis, accounting for disclosure detailing the determination process of the new total variable pay opportunity.
[59] *Ibid.*

compelling justification in this regard will be regarded as a negative aspect of our overall assessment of the policy and may lead to a recommendation against the proposal.

Remuneration Relative to Peers

Glass Lewis' analysis of remuneration policies examines a company's remuneration disclosure and structure as compared to peer practices, based on relevant stock market indices, market capitalisation, industry and/or liquidity.

When assessing the level of granted and realised executive pay, Glass Lewis reviews the pay practices of a company's local and regional industry peers, as well as the composition of the company's own pay benchmark. As such, we expect companies to disclose the individual peers selected by the remuneration committee when setting executive pay levels, as well as the criteria utilised in the selection process. For instance, we generally believe that the inclusion of U.S.-based peers should be accompanied by disclosure detailing what elements of the company's business or of the individual executive's situation (or any other relevant circumstance) motivated the inclusion of such peers in the chosen proportion against local European, or other global peers.

Some companies may benchmark – or be expected to benchmark – their executive remuneration system and/or the total remuneration opportunity under the system against multiple markets due to unique individual circumstances such as multiple stock exchange listings, the geographical distribution of the company's operations, sales or employees, or clear industry-specific pressures in terms of talent attraction and retention.

We generally expect companies to provide supporting disclosure to clarify the board's decision-making process behind the implementation/non-implementation of elements that deviate from prevailing market practice in the main country of reference.[60]

Financial Institutions

Under the *Wet Beloningsbeleid Financiële Ondernemingen* (WBFO) financial institutions are not permitted to facilitate a variable remuneration cap of higher than 20% of base salary.[61] Moreover, variable remuneration of any kind is prohibited to the members of the management board during the period of Dutch state shareholding in the Company.[62] Pursuant to additional regulations that have come into effect in January 2023, employees of Dutch financial companies whose fixed remuneration consists partly of shares, have to hold these shares for a minimum of five years. Moreover, financial institutions are obliged to be accountable for the pay ratio between directors and other employees when drafting their remuneration policy.[63] As this is mandated by national law, we do not consider such practices to be contentious in nature.

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[60] Elements in relation to which local best practices may substantially diverge typically include, but are not limited to, the presence and disclosure of performance conditions on long-term awards, the size of salaries or long-term award grants, and the implementation of safeguards such as recovery provisions or shareholding requirements.

[61] Article 1.121 (II) of the Act on the Remuneration Policy for Financial Undertakings.

[62] Article 1.128 (I) of the Act on the Remuneration Policy for Financial Undertakings.

[63] Act on the Remuneration Policy for Financial Further Undertakings.

Post-Employment Benefits

In accordance with the Dutch Corporate Governance Code, we believe companies should provide full disclosure of the terms of remuneration arrangements stipulated in the employment contracts between the company and management board members. In particular, in line with best practice standards in the Netherlands, we believe public disclosure on executive remuneration should include the following: (i) the length of the employment agreement, the length of any applicable notice period and the remuneration due to the management board member during such period; (ii) the terms of any pension arrangement(s) and the size of contributions due under such agreement(s); (iii) the treatment of outstanding awards upon termination, according to the different termination scenarios possible; (iv) the maximum payments due under any contractual severance agreement, including a potential non-competition clause.

With regards to severance packages, in line with the Dutch Corporate Governance Code, we believe that severance payments should be limited to one year's fixed salary and should not be paid in the event of inadequate performance or voluntary departure.[64]

Further, we believe that, upon the departure of a management board member, outstanding awards granted under long-term incentive schemes (including outstanding replacement or sign-on awards granted upon appointment, or retention awards) should be pro-rated to reflect the period during which the executive was still employed and was able to impact the company's performance, rather than being paid out in full. If the company opts for full vesting of awards, we will expect a thorough and compelling disclosure of the board's strategic rationale for the full vesting of such awards.

Lastly, we may recommend voting against the remuneration report where substantial severance payments have resulted in a significant tax penalty pursuant to Dutch law[65] and have not been adequately explained or justified.

Supervisory Board Remuneration

Glass Lewis is generally opposed to the introduction or use of performance-based remuneration for supervisory boards, given that these awards may align the interests of supervisory board members with those of management.

Furthermore, in line with the Dutch Corporate Governance Code, we will generally recommend against any supervisory board remuneration policy that includes the grant of shares and/or rights to shares to supervisory board members.[66] However, in line with the *Continental Europe Benchmark Policy Guidelines*, we may accept the allocation of part of supervisory board members' fixed fees in the form of restricted shares, provided these would not lapse upon termination and the company disclosed a compelling rationale in support of this remuneration design.

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[64] Provision 3.2.3 of the Code.

[65] The additional employer levy on excessive severance payments in the Netherlands came into force on January 1, 2009, as part of a set of rules on executive remuneration. The tax levy is triggered in cases where an executive with a salary above €672,000 (in 2024), upon leaving, receives a severance payment that exceeds one year's salary. If that is the case, the employer owes a wage tax of 75% on the excess amount.

[66] Provision 3.3.2 of the Code.

Additionally, under our benchmark policy Glass Lewis expects the quantum of non-executive fees to be broadly comparable to a company's country and industry peers and to take into account the time commitment required for a director to satisfactorily discharge their duties to shareholders. Accordingly, the supervisory board should provide rationale for any substantial proposed increases to the fees. Absent disclosure of a compelling rationale, the benchmark policy may recommend voting against the proposed increase, particularly when the current or proposed fees exceed those paid to market peers.

Otherwise, the benchmark policy will generally support these proposals if the proposed fees are reasonable and in line with those paid by the company's peers.

Governance, Financial Structure and the Shareholder Franchise

In the Netherlands, shareholders may be asked to approve the ratification of board and management acts or amendments to a company's articles of association. Our policy on these issues does not deviate materially from Glass Lewis' *Continental Europe Benchmark Policy Guidelines*.

Ratification of Supervisory Board and Management Board Acts

In the Netherlands, companies routinely request that shareholders ratify the acts of the supervisory board and management board for the past fiscal year. Moreover, shareholders can be asked to release resigning board members from liability.

The discharge from liabilities is binding for all shareholders and can hinder legal claims against board members. In fact, it protects board members against claims for damages from the company. It does not, however, release them from their fiduciary duties owed to the company and its shareholders. They will still be held liable for any tortious or negligent act committed in the performance of their duties. Moreover, if the information provided to shareholders prior to the meeting was incorrect or incomplete, shareholders can still bring proceedings against the board. Lastly, the discharge granted by shareholders does not release board members from liabilities toward third parties.[67] Therefore, we will evaluate each proposal on a case-by-case basis.

In line with our *Continental Europe Benchmark Policy Guidelines*, we may recommend voting against or abstaining from voting on ratification proposals where we believe the ratification may prejudice shareholders due to the pending nature of an investigation or in cases where we believe that the individual ratification of board members would better serve the interests of shareholders and the vote has been offered only as a bundled item.

Ownership Reporting Requirements

The Disclosure of Major Holdings in Listed Companies Act of 1996 requires any shareholder whose ownership in a company rises above or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% to immediately notify the company and the Financial Markets Authority, specifying the number of shares and corresponding voting rights held.

On July 1, 2013, the minimum disclosure threshold was lowered to 3% ownership and any shareholder having reached this threshold must notify the company within four months of this new standard taking effect.[68] We recommend that shareholders support amendments to a company's articles of association that align with the

[67] Book 2, Articles 139 and 150 of the Dutch Civil Code.
[68] Article 5(38) of the Act on Financial Supervision.

new provisions of the law, as long as they do not attempt to introduce any additional ownership reporting requirements beyond what is legally required.

Disclosure of General Meeting Vote Results

Glass Lewis believes that access to detailed vote results from general meetings is important for shareholders in conducting their stewardship duties. Specifically, we believe that the disclosure of vote results assists shareholders in gaining a better understanding of the outcome of general meetings, establishing engagement priorities, and tracking companies' responses to material (minority) shareholder dissent on any of the agenda items. We believe that the non-disclosure of vote results can serve to disenfranchise minority shareholders, in particular at companies with a multi-class share structure or a controlling shareholder.

In the Netherlands, the disclosure of vote results from a shareholder meeting represents an established best practice. Accordingly, we will note a concern in our analysis of the composition of boards of directors at companies that did not disclose vote results from their previous annual meeting. At AEX and AMX companies that did not disclose vote results from their previous annual meeting, we will generally recommend that shareholders vote against the re-election of the chair of the governance committee or.

Capital Management

Shareholders of Dutch companies may be asked to approve capital-related proposals, namely the issuance of ordinary or preference shares and/or convertible debt instruments and the authority to repurchase shares. Our policies with regard to these matters do not differ materially from our *Continental Europe Benchmark Policy Guidelines*.

Authority to Issue Shares and/or Convertible Securities

In the Netherlands, shareholders are required to approve all proposals related to the issuance of shares and/ or convertible securities. According to Dutch law, shareholders may delegate the power to authorise share issuances to the board or management.[69] The authority to issue shares must have a specified length, which in no event may be greater than five years, as well as a specified maximum number of shares that may be issued under the authority. In addition, the company may determine to issue the shares and/or convertible securities with or without preemptive rights. However, in the event that it wishes to waive such rights, the board must request shareholder approval given that issuing additional shares may dilute existing holders.[70] We will generally recommend voting against any authority to issue shares with preemptive rights in excess of 20% of share capital, or any authority to issue shares without preemptive rights in excess of 10% of share capital, in line with market practice.[71] We will consider any requests for higher authorisations on a case-by-case basis taking into account the rationale provided by the company.

Authority to Repurchase Shares

Under Dutch law, companies can repurchase their own stock if: (i) shareholders' equity less the payment required to make the purchase does not fall below the sum of paid-up capital and any reserves required by Dutch law and the articles of association; and (ii) the company would thereafter not hold shares with an aggregate nominal value exceeding one-half of the issued share capital. Furthermore, the authority granted by shareholders applies for a maximum period of 18 months and must specify the number of shares that may be acquired and the price within which the shares may be acquired.[72]

Our policy on this matter does not differ materially from our *Continental Europe Benchmark Policy Guidelines*. Dutch companies may seek the authority to repurchase shares above 20% of current issued share capital. We will recommend voting against such a proposal when the company does not explicitly state that the shares will be cancelled.

[69] Book 2, Article 96(1) of the Dutch Civil Code.
[70] Book 2, Article 96a of the Dutch Civil Code.
[71] Established in the Eumedion Voting Guideline with Respect to Share Issuance Authorisations and Limitiation or Exclusion of Preemptive Rights, and adopted by most companies in 2020.
[72] Book 2, Article 98 of the Dutch Civil Code.

Anti-Takeover Devices

Issuance of Protective Preference Shares

We apply heightened scrutiny to verify whether a management friendly foundation (*Stichting*) has been granted a call option to purchase preference shares from the company, since the exercise of the call option may result in delaying or preventing a takeover bid. We will vote against the issuance of protective preference shares under almost all circumstances. Nevertheless, we will consider making an exception in cases where a company has combined the authority to issue common shares and preference shares into a single proposal. While we view bundled proposals as depriving shareholders the opportunity to weigh the merits of each aspect of the proposal, we will support the proposal if we believe that a vote against it might hinder the company's ability to access the capital market in a timely and efficient manner through the issuance of the common shares.

Shareholder Initiatives and Management of the Firm

In the Netherlands, shareholders may exercise their right to call a special meeting and/or propose additional items to the meeting agenda. Our policies regarding these matters do not differ materially from our *Continental Europe Benchmark Policy Guidelines*.

Right to Call a Special Meeting

Under Dutch law, a shareholder or a group of shareholders holding at least 10% of the issued share capital, or a lower percentage if provided for by the articles of association, can be authorised by a court to convene a general meeting.[73]

Glass Lewis strongly supports the right of shareholders to call special meetings. However, in order to prevent abuse and waste of corporate resources by a very small minority of shareholders we believe that such rights should be limited to 5% of a company's share capital. A lower threshold may leave companies subject to meetings whose effect might be the disruption of normal business operations in order to focus on the interests of only a small minority of owners. However, we will evaluate proposals to lower the threshold on a case-by-case basis.

Right to Add an Item to the Agenda

Shareholders and holders of depositary receipts who alone or together represent more than 3% of the outstanding share capital have the right to add items to the agenda of a shareholder meeting.[74]

Companies are however permitted to set a lower threshold in their articles of association. As such, the previous legally mandated threshold will continue to apply to companies in cases in which they have stated the threshold in their articles of association. Given that the law requires companies to seek shareholder approval of an amendment to the articles of association in order to implement the new threshold.[75] We generally recommend that shareholders vote against such amendments in order to preserve existing shareholder rights. However, we will evaluate these proposals on a case-by-case basis, taking into account a company's ownership structure and the history of shareholder proposals presented at general meetings.

[73] Book 2, Article 110 of the Dutch Civil Code.
[74] Book 2, Article 114a of the Dutch Civil Code.
[75] Book 2, Article 121 of the Dutch Civil Code.

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