

AGENDA

GENERAL MEETING OF SHAREHOLDERS OF KENDRION N.V.

1. **Opening**
2. **Report of the Executive Board and 2017 Remuneration Report**
 - a. Report of the Executive Board on developments in 2017 (discussion)
 - b. 2017 Remuneration Report (discussion)
3. **2017 Financial Statements**

Adoption of the 2017 Financial Statements (resolution)
4. **Dividend**
 - a. Dividend policy (discussion)
 - b. Dividend distribution (resolution)
5. **Discharge members Executive Board**

Granting discharge to the members of the Executive Board for their management of the Company in 2017 (resolution)
6. **Discharge members Supervisory Board**

Granting discharge to the members of the Supervisory Board for their supervision of the management of the Company in 2017 (resolution)
7. **Remuneration of the Executive Board**
 - a. Remuneration Policy (resolution)
 - b. Approval of share-based plan: Long-Term Incentive Plan (resolution)
8. **Reappointment of the external auditor**

Reappointment of Deloitte Accountants B.V. as external auditor of Kendrion N.V. (resolution)
9. **Designation of the Executive Board as the authorised body to issue shares and to grant rights to acquire shares**
 - a. Designation of the Executive Board as the authorised body to issue shares and to grant rights to acquire shares (resolution)
 - b. Designation of the Executive Board as the authorised body to restrict or suspend pre-emptive rights (resolution)
10. **Authorisation of the Executive Board to repurchase shares**

Authorisation of the Executive Board to repurchase shares in the Company (resolution)
11. **Any other business**
12. **Adjournment**

To be held on

Monday, 9 April 2018

14:30 hours

Novotel Amsterdam City

Europaboulevard 10

1083 AD Amsterdam

The Netherlands

Record date

Monday, 12 March 2018

Applications

No later than Tuesday,

3 April 2018, 17:00 hours

Shareholders' circular

General Meeting of Shareholders of Kendrion N.V. ('the Company') Monday, 9 April 2018

Note to agenda item 2.a – Report of Executive Board on developments in 2017 (discussion)

The Executive Board will give an explanation of the operations and developments of Kendrion and its business units in 2017.

Note to agenda item 2.b – 2017 Remuneration Report (discussion)

Pursuant to article 2:135 paragraph 5a of the Dutch Civil Code, the manner in which the remuneration policy for the Executive Board was implemented in 2017 will be discussed. The Supervisory Board's Remuneration Report for 2017 contains the relevant information. The 2017 Remuneration Report has been published on Kendrion's website (www.kendrion.com).

Note to agenda item 3 – 2017 Financial Statements (resolution)

It is proposed that the 2017 Financial Statements be adopted. The external auditor will give an account of the audit procedures performed.

Note to agenda item 4.a – Dividend policy (discussion)

Kendrion endeavours to realise an attractive return for shareholders supported by a sustainable dividend policy. With a view to safeguarding a healthy financial position, consideration is also given to the amount of profit to be retained to support Kendrion's medium-term and long-term strategic plans and to maintain a minimum solvency ratio of 35%. Kendrion strives to distribute dividends representing between 35% and 50% of its net profit. In principle, Kendrion offers shareholders the opportunity to opt for dividends in cash or in the form of ordinary shares in Kendrion N.V.'s capital. In accordance with best practice provision 4.1.3 of the Dutch Corporate Governance Code, the dividend policy is dealt with as a separate agenda item. The dividend policy has been published on Kendrion's website and has been included in the 2017 Integrated Annual Report (page 17).

Note to agenda item 4.b – Dividend distribution (resolution)

In accordance with Kendrion's dividend policy, the Executive Board, with the approval of the Supervisory Board, proposes a dividend of EUR 0.87 per share, representing a dividend payment of 50% of normalised net profit for 2017. The total dividend amount is EUR 11.7 million.

It is proposed that payment of the dividend is made in cash, or at the option of shareholders, in the form of ordinary shares charged to the share premium reserve with any remaining fraction to be settled in cash.

The ex-dividend date is 11 April 2018 and the record date is 12 April 2018. The share dividend will be set on 2 May 2018 (before start of trading), on the basis of the volume-weighted average price of all Kendrion shares traded on 24, 25, 26, 27 and 30 April 2018, at a level whereby the value of the dividend in shares will be virtually equal to the cash dividend. The period for shareholders to elect a share and/or cash dividend runs from 13 April 2018 up to and including 30 April 2018 until 15:00 hours. The cash dividend will be made payable and the share dividend will be delivered on 4 May 2018.

Note to agenda item 5 – Granting discharge to the members of the Executive Board (resolution)

In accordance with best practice provision 4.1.3 of the Dutch Corporate Governance Code, the proposal to grant discharge to the members of the Executive Board is dealt with as a separate agenda item. The discharge relates to the management conducted by members of the Executive Board in 2017.

Note to agenda item 6 – Granting discharge to the members of the Supervisory Board (resolution)

In accordance with best practice provision 4.1.3 of the Dutch Corporate Governance Code, the proposal to

grant discharge to the members of the Supervisory Board is dealt with as a separate agenda item. The discharge relates to the supervision exercised by the members and former member¹ of the Supervisory Board in 2017.

Note to agenda item 7.a – Remuneration policy (resolution)

The remuneration policy for the Executive Board was adopted by the General Meeting of Shareholders in 2013 and most recently renewed and adopted on 4 November 2015.

The Supervisory Board proposes the amendment of the remuneration policy for the Executive Board effective as of annual periods beginning on 1 January 2018 in order to reduce the complexity of the current remuneration policy, whilst – to the extent possible and reasonable – maintaining the overall value of the remuneration packages of the members of the Executive Board.

In accordance with article 2:135 of the Dutch Civil Code, it is proposed that the General Meeting of Shareholders adopts the remuneration policy for the Executive Board as set out in **Appendix 1** (Remuneration Policy) to this circular and as published on Kendrion's website (www.kendrion.com).

Note to agenda item 7.b – Approval of share-based plan: Long-Term Incentive Plan (resolution)

In accordance with the long-term incentive included in the remuneration policy for the Executive Board as set out in **Appendix 1** (Remuneration Policy) to this circular and as published on Kendrion's website (www.kendrion.com), the members of the Executive Board are eligible for the granting of conditional performance shares as further laid down in the Long-Term Incentive Plan. The conditional shares will vest upon achievement of performance measured over a period of three years following the grant date, and are restricted by a holding period of two years after vesting. The size of the award is defined as a percentage of the annual gross base salary of the relevant Executive Board member as per the grant date, where the actual

grant is determined by this percentage and the average share price of the last quarter of the year immediately preceding the year of the grant date. The vesting percentage of the performance shares is conditional upon the achievement of performance measured as: relative total shareholder return (40%), basic earnings per share (40%) and a non-financial measure in the area of sustainability (20%).

In accordance with article 2:135 paragraph 5 of the Dutch Civil Code and article 18.3 of Kendrion's articles of association, it is proposed that the General Meeting of Shareholders approves the terms of the Long-Term Incentive Plan, which are summarised in **Appendix 2** (Summary Long-Term Incentive Plan) to this circular.

Note to agenda item 8 – Reappointment of Deloitte Accountants B.V. as external auditor of Kendrion N.V. (resolution)

Deloitte Accountants B.V. ('Deloitte') was appointed as Kendrion's external auditor in 2015 for a term of three years (i.e. for the 2015 to 2017 financial years). The Executive Board and the Audit Committee of the Supervisory Board have carried out a thorough assessment of Deloitte's performance. Deloitte has always adopted a critical attitude during the performance of its audit, as may be expected from an independent auditor. The fees charged for the auditor's services are in line with the market.

The Supervisory Board is of the opinion, upon the advice of the Executive Board and the Audit Committee, that Deloitte comes into consideration for reappointment and, consequently, the Supervisory Board recommends Deloitte's reappointment for a second period of three years after 2017 (i.e. for the 2018 to 2020 financial years).

Note to agenda item 9.a – Designation of the Executive Board as the authorised body to issue shares and to grant rights to acquire shares (resolution)

It is proposed that the Executive Board is designated as the authorised body to issue shares and grant rights to acquire shares for a period of 18 months, consequently until 9 October 2019. This relates to

¹ Mr. R.L. de Bakker stepped down after the maximum period of 12 years as a member of the Supervisory Board during the General Meeting of Shareholders held on 10 April 2017.

an option that is expressly provided for by law and integrated in Kendrion's articles of association. This authority relates to a maximum of 10% of Kendrion's issued share capital at the time of the General Meeting of Shareholders to be held on 9 April 2018, increased by the number of performance shares to be issued on the basis of the Long-Term Incentive Plan.

Note to agenda item 9.b – Designation of the Executive Board as the authorised body to restrict or suspend pre-emptive rights (resolution)

It is proposed that the Executive Board is designated as the authorised body to restrict or suspend pre-emptive rights on the occasion of issuance of shares or granting of rights to acquire shares for a period of 18 months, consequently until 9 October 2019. This relates to an option that is provided for by law and integrated in Kendrion's articles of association.

The Executive Board shall exercise the powers as referred to under 9.a and 9.b solely in those instances in which this is of material importance to the continuity of Kendrion or which result in Kendrion's strategic enhancement. These powers allow Kendrion to respond promptly to developments. The Supervisory Board shall also need to grant approval for the exercising of these powers. On the Executive Board's designation as the aforementioned body, the previous designation by the General Meeting of Shareholders, expiring on 10 October 2018, shall be deemed to have been withdrawn.

Note to agenda item 10 – Authorisation of the Executive Board to repurchase shares in the Company (resolution)

It is proposed that the Executive Board should be authorised for a period of 18 months, consequently until 9 October 2019, to acquire shares in Kendrion N.V., for Kendrion's account and within the limits prescribed by Kendrion's articles of association and the applicable statutory provisions, of an amount to a maximum of 10% of the issued share capital at the time of the General Meeting of Shareholders to be held on 9 April 2018, either by purchase on the stock exchange or otherwise, at a price that does not exceed 110% of the

opening price quoted on Euronext's Amsterdam market on the day of the purchase of the shares or, in the absence of an opening price, the most recent price quoted on the stock exchange. Decisions made by the Executive Board to repurchase shares require the approval of the Supervisory Board. On the Executive Board's designation as the aforementioned body, the previous designation by the General Meeting of Shareholders, expiring on 10 October 2018, shall be deemed to have been withdrawn.

Record date

The persons who have the right to vote and the right to attend the meeting are those persons who are entitled to shares in Kendrion N.V. on Monday, 12 March 2018 as registered in the sub-registers formed by the intermediaries as defined in the Securities Giro Act or, for those persons holding registered shares, who are registered in the shareholders' register of the Company on that date.

Attendance at the meeting

The holders of bearer shares who wish to attend the meeting may apply in writing no later than 17:00 hours on Tuesday, 3 April 2018 via www.abnamro.com/evoting or direct to the intermediaries responsible for the administration of their shares. The intermediaries shall provide ABN AMRO Bank N.V., no later than 17:00 hours on Wednesday, 4 April 2018, and via www.abnamro.com/intermediary, with an electronic statement that includes the number of shares held on the record date by the shareholder concerned for which an application for registration has been made. Intermediaries are requested to include the full address details of the relevant shareholders with the application in order to be able to verify the shareholding on the record date in an efficient manner.

Holders of registered shares who wish to attend the meeting may apply via www.abnamro.com/evoting until Tuesday, 3 April 2018 (17:00 hours) at the latest.

Proxies

Shareholders unable to attend the meeting in person can grant a proxy, either in writing or by electronic means, to a third party to vote on the shareholder's

behalf at the meeting. Shareholders granting a proxy will need to have registered their shares before the meeting.

Shareholders can issue their voting instructions, by electronic means, on www.abnamro.com/evoting by no later than 17:00 hours on Tuesday, 3 April 2018. Model proxy forms for written voting instructions are available at Kendrion N.V.'s office and on its website (www.kendrion.com) free of charge. Issued proxies must be in the possession of the proxy holder, with a copy (by post, fax or email) to the Secretary of Kendrion N.V. no later than 17:00 hours on Tuesday, 3 April 2018. Voting instructions can also be issued electronically via www.abnamro.com/evoting until Tuesday, 3 April 2018 (17:00 hours). In all circumstances, the intermediary will need to issue a statement via www.abnamro.com/intermediary, no later than 17:00 hours (Amsterdam time) on Wednesday, 4 April 2018, stating that the shares were registered in the name of the holder thereof on the Record date whereupon the holder will receive a proof of registration which will also serve as an admission ticket for the meeting. In addition, the intermediaries are requested to include the full address details of the relevant ultimate beneficial holders in order to be able to verify the shareholding on the Record date in an efficient manner.

Appendix 1

Executive Board Remuneration Policy – agenda item 7.a

1. Introduction

The remuneration policy for the members of the Executive Board of Kendrion N.V. ('Kendrion') has been developed by the Supervisory Board. This new remuneration policy will be submitted and presented for adoption by the general meeting of shareholders (the 'General Meeting') at the General Meeting in April 2018 and, if adopted, applies to all payments made after the date of adoption.

The Supervisory Board is responsible for formulating and implementing the remuneration policy and determining the remuneration of individual members of the Executive Board. The main elements of the contract of a member of the Executive Board will be made public no later than the date of the convocation notice for the General Meeting where the appointment of the member of the Executive Board concerned will be proposed.

The Supervisory Board has developed proposals for the remuneration of the members of the Executive Board based on a comparative study of employment terms and conditions in the market for a reference group of companies (excluding financial services companies and real estate companies) admitted to listing on NYSE Euronext Amsterdam (ASCX), taking into account Kendrion's size (in terms of revenues, average market capitalisation, total assets and number of FTE) and complexity, its industrial market position and short-term and long-term value creation, geographic scope and labour market competition.

The remuneration policy is reviewed at least every four years by the HR Committee of the Supervisory Board at the instruction of the Supervisory Board.

2. Remuneration principles

The remuneration policy serves to recruit, motivate and retain qualified and experienced executives in order to deliver Kendrion's strategy. In addition, the remuneration policy aims to further enhance the link between pay and performance and align the interests

of the members of the Executive Board with the shareholders' interests – and other stakeholders' interests – and focus on the sustainable delivery of high performance over the long-term by stimulating share ownership whilst adhering to the applicable standards of good corporate governance.

The remuneration structure and level for the members of the Executive Board is set at the median level relative to the reference group of companies admitted to listing on NYSE Euronext Amsterdam (ASCX) and strives to achieve an appropriate balance between Kendrion's annual plan and budget on the one hand and the long-term strategy on the other hand. The remuneration package consists of the following elements: (i) base salary, (ii) short-term incentive, (iii) long-term incentive, and (iv) other benefits such as pension contributions.

The remuneration policy has a performance-oriented design, whereby results and performance are used to determine short-term and long-term incentives that are of a challenging and appropriate level. The short-term and long-term incentives are based on predetermined, specific and measurable performance criteria. The short-term and long-term incentives are appropriate in relation to the base salary and take into account the pay ratios within Kendrion.

The Supervisory Board is authorised to adjust the amount of the short-term and long-term incentives to an appropriate level should payment thereof result in unreasonable or unequitable remuneration. In addition, a so-called claw-back provision applies pursuant to which the Supervisory Board has the authority to recover in whole or in part short-term and long-term incentives awarded to members of the Executive Board should it transpire that such incentives were unjustifiably awarded on the basis of incorrect information.

3. Base salary

Members of the Executive Board receive a base salary, the amount of which is in line with the general remuneration principles of this remuneration policy, and payable in cash on a monthly basis. Base salary levels may be adjusted, to be decided upon by the Supervisory Board based on general market movement and Dutch inflation rates.

4. Short-term incentive

4.1 – General

The short-term incentive is payable in cash, the amount of which is based on the achievement of predetermined, specific and measurable financial and non-financial driven performance criteria.

The short-term incentive target amount is set at:

CEO: 40% of annual gross base salary for the CEO

CFO: 35% of annual gross base salary for the CFO

4.2 – Performance incentive zone

The amount of the payout of the short-term incentive for the achievement of the performance criteria is maximised at 150% of the short-term incentive target amount.

In the case of performance equal to the threshold performance of the relevant performance criterion, the payout of the short-term incentive will be equal to 50% of the relevant target amount. A linear curve will be applied to calculate the payout between threshold performance and maximum performance.

In the case of performance below the threshold performance of the relevant performance criterion, the amount of the payout of the short-term incentive will be equal to zero.

4.3 – Performance criteria

The short-term incentive performance criteria are annually determined by the Supervisory Board and comprise financial driven performance criteria and non-financial performance criteria.

4.3.1 – Financial performance criteria

The financial driven performance criteria determine 60% of the short-term incentive. Each year the Supervisory Board selects three financial driven

performance criteria from the list below that apply to the relevant performance year with a view to incentivising year-on-year delivery of short-term financial objectives that support Kendrion's overall annual objectives. In exceptional circumstances the Supervisory Board can deviate from the foregoing and select four financial driven performance criteria from the list below that apply to the relevant performance year.

The Supervisory Board may allocate different weight percentages to the different financial performance criteria it selects for a particular year, provided a minimum weight of 10% shall apply to each financial performance criterion.

List of financial driven performance criteria

- net profit
- return on sales (ROS)
- average return on capital employed
- organic growth
- free cash flow
- EBITDA

4.3.2 – Non-financial performance criteria

The non-financial performance criteria determine 40% of the short-term incentive. Each year the Supervisory Board selects a certain number of non-financial performance criteria derived from Kendrion's strategic priorities and an appropriate payout scheme.

Achievement of each individual non-financial performance criterion will be measured by applying a binary scoring model. The amount of the payout for the achievement of non-financial performance criteria depends on the number of non-performance criteria achieved.

The amount of the payout for the achievement of non-financial performance criteria will be equal to 150% of the short-term incentive target amount if all selected non-performance criteria are achieved.

If the achievement of non-financial performance criteria falls below a certain minimum threshold number of selected non-financial performance criteria, the amount of the payout will be equal to zero.

A step curve will be applied to calculate the payout between the achievement of the minimum threshold number of selected non-financial performance criteria and achievement of all selected non-financial performance criteria.

4.4 – Investment of part of the short-term incentive earned

Members of the Executive Board have to invest at least 20% of the net amount of the payout of the short-term incentive earned until the required ownership level has been reached as prescribed under the 'Share ownership guideline' (as described below).

5. Long-term incentive

The long-term incentivises members of the Executive Board to focus on long-term sustainable value for shareholders and other stakeholders; it thereby also serves to align the interests of the members of the Executive Board with the long-term interests of shareholders and other stakeholders.

The members of the Executive Board are eligible for a grant of conditional performance shares. The actual number of performance shares is determined by the Supervisory Board in accordance with the provisions of this remuneration policy. The conditional performance shares will vest upon achievement of performance measured over a period of three years following the grant date, and are restricted by a holding period for another two years after vesting.

The size of the award is defined as a percentage of the annual gross base salary of the relevant Executive Board member as per the grant date, where the actual grant is determined by this percentage and the average share price of the last quarter of the year immediately preceding the year of the grant date.

The target value at grant date is set at the following maximum:

Target value

- CEO** 55% of the annual gross base salary of the CEO as per the grant date
- CFO** 50% of the annual gross base salary of the CFO as per the grant date

The vesting percentage of the performance shares is conditional upon the achievement of performance measured as:

Weight Performance measure

- 40%** 1. relative total shareholder return (TSR);
- 40%** 2. basic earnings per share (EPS); and
- 20%** 3. a non-financial measure in the area of sustainability.

Relative TSR

The relative TSR will be measured against the performance of twelve selected TSR-peer companies included in Annex 1 (TSR Performance Peer Group).

Kendrion's ranking, after three years, determines the number of performance shares that vest, in accordance with the following performance incentive zone:

Ranking	13	12	11	10	9	8	7
Vesting	0%	0%	0%	0%	0%	50%	75%
Ranking	6	5	4	3	2	1	
Vesting	100%	100%	125%	150%	150%	150%	

The calculation to determine Kendrion's ranking shall be conducted by an external, independent and reputable specialised firm designated by the Supervisory Board.

Financial measure – EPS

EPS is calculated by dividing the profit or loss attributable to shareholders of Kendrion by the weighted average number of shares outstanding during the relevant twelve-month period.

Non-financial measure – sustainability

The non-financial measure in the area of sustainability shall be determined taking into account Kendrion's Corporate Social Responsibility programme.

Performance incentive zone for EPS and non-financial measure

The performance incentive zone for EPS and the non-financial performance measure in the area of sustainability shall be set by the Supervisory Board between zero and 150% of the on-target level.

The actual performance incentive zone will be disclosed after the expiry of the relevant three-year performance period.

6. Pension and other benefits

Kendrion bears the cost of contributions for the retirement pension and risk premiums for partner pension and disability cover for the members of the Executive Board and annually makes a maximum gross amount of EUR 75,000 available for this purpose.

This amount may be adjusted based on market developments.

No schemes have been agreed for the voluntary early retirement of members of the Executive Board.

7. Share ownership guideline

Kendrion applies a share ownership guideline for members of the Executive Board of 100% of the annual gross base salary for the CEO and 50% of the annual gross base salary for the CFO. This shareholding has to be gradually built up with performance shares earned under the long-term incentive, although it is permitted to sell shares to finance taxes due at the date of vesting of the performance shares, and by shares purchased with 20% of the net amount of the payout of the short-term incentive.

8. Policy in case of change of control

Unvested performance shares awarded shall be deemed vested as per the date of the change of control assuming on-target performance, subject to:

(i) pro-rating to reflect the proportion of the normal performance period that has elapsed as per the date of the change of control, and (ii) the discretionary authority of the Supervisory Board to determine otherwise, should such deemed vesting of performance shares result in unreasonable or inequitable remuneration.

9. Severance payment

In the event of termination of the contract on Kendrion's initiative, the severance payment for members of the Executive Board is maximised at one year's gross annual base salary (i.e. excluding short-term and long-term incentives and other elements such as pension contributions). The members of the Executive Board are not entitled to a severance payment if the contract is terminated for cause (i.e. seriously culpable or negligent behaviour on the part of the Executive Board member) or if the contract is terminated at the initiative of the Executive Board member.

Annex 1

TSR Performance Peer Group

#	Company	Activity	HQ	Listed
1.	Schneider Electric SE	Energy management / automation	FR	Paris
2.	Eaton Corporation plc	Actuators, valves, brakes, hydraulics etc. for industrial and automotive	IR	New York
3.	Sensata Technologies Holding NV	Sensors and controls for automotive, commercial vehicles and industrial	US	New York
4.	Aalbers Industries NV	Industrial fragmented	NL	Amsterdam
5.	Emerson Electric Co	Industrial automation	US	New York
6.	Continental AG	Automotive	GE	Frankfurt
7.	Schaeffler AG	Automotive	GE	Frankfurt
8.	TKH Group NV	Industrial	NL	Amsterdam
9.	Wabco Holdings Inc	Commercial vehicles part supplier	BE	New York
10.	Borg Warner Inc	Automotive, commercial vehicles	US	New York
11.	SKF AB	Bearings, seals, mechanical transmission	SW	Stockholm
12.	Phoenix Mecano AG	Electronic components, actuators	CH	Zurich
13.*	Grammer AG	Seating automotive commercial vehicles	GE	Frankfurt
14.*	Regal Beloit	Electric motors	FR	Paris
15.*	IMI Plc	Fluid control	UK	London

* Companies 13, 14 and 15 will be used as replacement companies in the case of delisting or other corporate events in respect of any of the selected TSR-peer companies during the relevant performance period.

Appendix 2

Summary Long-Term Incentive Plan – agenda item 7.b

1. Eligibility

The members of the Executive Board are eligible for a grant of conditional performance shares.

2. Performance measure

The conditional performance shares will vest upon achievement of performance measured over a period of three years following the grant date.

3. Size of award

The size of the award is defined as a percentage of the annual gross base salary of the relevant member of the Executive Board as per the grant date, where the actual grant is determined by this percentage and the average share price of the last quarter of the year immediately preceding the year of the grant date.

The target value at grant date is set at the following maximum:

Target value

CEO	55% of the annual gross base salary of the CEO as per the grant date
CFO	50% of the annual gross base salary of the CFO as per the grant date

4. Vesting of award

The vesting percentage of the performance shares is conditional upon the achievement of performance measured as:

Weight Performance measure

40%	relative total shareholder return (TSR);
40%	basic earnings per share (EPS); and
20%	a non-financial measure in the area of sustainability.

Further details of the performance measures under the Long-Term Incentive Plan are described in the Remuneration Policy included in **Appendix 1** (Remuneration Policy).

5. Holding period

The conditional performance shares are restricted by a holding period of two years after vesting. During this holding period the Executive Board member may not transfer or otherwise dispose of the vested performance shares, although it is permitted to sell performance shares to finance taxes due at the vesting date (sell-to-cover).

6. Accrued dividend

On the vesting of an award, the member of the Executive Board in question will be entitled to an amount equal to the accrued dividend for each vested performance share.

7. Leaver arrangement

If an Executive Board member is a 'bad leaver' he retains his vested performance shares, but all unvested performance shares outstanding as per the date of termination are cancelled without any further compensation.

If an Executive Board member is a 'good leaver' all unvested performance shares outstanding as per the date of termination shall be deemed vested, subject to performance realised as per the date of termination.

8. Change of control

Unvested performance shares awarded shall be deemed vested as per the date of the change of control assuming on-target performance, subject to: (i) pro-rating to reflect the proportion of the normal performance period that has elapsed as per the date of the change of control, and (ii) the discretionary authority of the Supervisory Board to determine otherwise, should such deemed vesting of performance shares result in unreasonable or inequitable remuneration.

9. Claw back

The Supervisory Board, is authorised to cancel and/or recover an award previously granted should it transpire that the award granted was unjustifiably awarded on the basis of incorrect information or if there has been gross misconduct or negligence by the Executive Board member or conduct which results in significant reputational damage.

10. Miscellaneous

Awards may be satisfied by the issuance of new shares or the transfer of shares held in treasury or otherwise.

The Supervisory Board can amend or restate the Long-Term Incentive Plan and does not need to obtain the approval of the General Meeting of Shareholders for any changes if such are deemed necessary for the due and timely administration of the Long-Term Incentive Plan or needed to comply with applicable laws and regulations.



Kendrion is proud to present its 2017 integrated annual report. It highlights how Kendrion aims to create long-term value, financially and otherwise, for all its stakeholders. For more information visit annualreport.kendrion.com or scan the QR code.

KENDRION N.V.
Utrechtseweg 33
3704 HA Zeist
P.O. Box 931
3700 AX Zeist
The Netherlands

Tel: +31 (0)30 699 72 50
Fax: +31 (0)30 695 11 65
Email: info@kendrion.com
www.kendrion.com
Registered office: Zeist, Netherlands
Chamber of Commerce: 30113646