

Regulations Executive Board Kendrion N.V.

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CHAPTER 1 COMPOSITION OF THE EXECUTIVE BOARD; POSITIONS

1. COMPOSITION; DIVISION OF TASKS

- 1.1 The members of the Executive Board are appointed by the General Meeting of Shareholders. The Supervisory Board nominates one or more candidates for appointment.
- 1.2 New Executive Board members are appointed for a maximum of four years per term.
- 1.3 The number of Executive Board members is determined by the Supervisory Board after consultation with the CEO, taking into account that the number of members will be at least two.
- 1.4 Individual members of the Executive Board may be charged with specific parts of the managerial tasks, without prejudice to the collective responsibility of the Executive Board as a whole. The Executive Board remains collectively responsible for decisions, even if they are prepared by individual members of the Executive Board. An individual member of the Executive Board may only exercise such powers as are explicitly attributed or delegated to him and he may never exercise powers beyond those exercisable by the Executive Board as a whole.
- 1.5 The division of tasks within the Executive Board is determined (and amended, if necessary) by the Executive Board, subject to the approval of the Supervisory Board. Executive Board members especially charged with particular managerial tasks are primarily responsible for the risk control and monitoring of the managerial tasks concerned.
- 1.6 Each member of the Executive Board must inform the other members of the Executive Board in a clear and timely manner about the way in which he has used delegated powers and about major developments in the area of his responsibilities.

2. CHIEF EXECUTIVE OFFICER

- 2.1 The Supervisory Board can appoint one of the members of the Executive Board as President and Chief Executive Officer ('CEO').
- 2.2 Within the Executive Board, the CEO is primarily responsible for:
 - (a) preparing an agenda and chairing meetings of the Executive Board;
 - (b) ensuring that the Executive Board functions and makes decisions in a collective manner;
 - (c) determining whether a proposed resolution should be brought to the Executive Board for a vote;
 - (d) ensuring that passed resolutions are in accordance with the strategy that should lead to the realisation of the objectives of the Company as referred to in clause 6.1 of these By-Laws;
 - (e) supervising the implementation of passed resolutions and determining if further consultation with the Executive Board on their implementation is required; and
 - (f) consulting on an ad hoc basis with members of the Executive Board regarding their respective tasks.
- 2.3 Within the Executive Board, the CEO is also responsible for the following matters regarding the relationship between the Executive Board and the Supervisory Board:

- (a) submitting a proposed agenda and preparing meetings of the Supervisory Board in consultation with the Chairman of the Supervisory Board and supported by the Company Secretary;
- (b) ensuring that the Supervisory Board is provided with all information necessary for the proper performance of its duties;
- (c) overseeing and ensuring communications of the Executive Board with the Supervisory Board;
- (d) consulting regularly with the Chairman of the Supervisory Board and consulting other members of the Supervisory Board if deemed necessary or advisable;
- (e) considering requests of Executive Board members to consult with particular members of the Supervisory Board regarding an area of expertise.

2.4 The CEO is assisted in the organisation of the matters set out in clauses 2.2 and 2.3 by the Company Secretary.

3. CHIEF FINANCIAL OFFICER

3.1 The Executive Board can appoint one of the members of the Executive Board as Chief Financial Officer ('CFO').

3.2 Within the Executive Board, the CFO is primarily responsible for:

- (a) formulating and communicating the Company's financial strategy;
- (b) overseeing and ensuring the integrity of the Company's accounts;
- (c) the financial reporting of the Company; and
- (d) performing any other related duties as may be prescribed from time to time by the Executive Board.

3.3 Within the Executive Board, the CFO is also primarily responsible for taking part in meetings, when requested, to discuss:

- (a) the integrity of the financial statements of the Company (including but not limited to the choice of accounting policies, application and assessments of the effects of new rules, information about the handling of estimated items in the annual accounts and forecasts);
- (b) the qualifications, independence, remuneration and non-auditing work of the external auditor for the Company (without prejudice to the responsibilities of the Supervisory Board in the area of finance, accounting and tax);
- (c) the performance of tasks by the controlling department of the Company and the external auditor;
- (d) the financial reporting process;
- (e) the system of internal business controls (including but not limited to the effect of internal risk management and control systems);

- (f) compliance by the Company with laws and regulations and applicable codes of conduct in the area of finance, accounting and tax;
- (g) compliance by the Company with recommendations of the External Auditor and the Company's controlling department;
- (h) the financing of the Company and finance-related strategies; and
- (i) the Company's tax planning.

4. COMPANY SECRETARY

- 4.1 The Executive Board is assisted by the Company Secretary, who is appointed by the Executive Board, subject to the approval of the Supervisory Board. The Company Secretary may be removed by the Executive Board after approval is obtained from the Supervisory Board.
- 4.2 All Executive Board members have access to the advice and services of the Company Secretary.
- 4.3 The Company Secretary sees to it that correct Executive Board procedures are followed and that the obligations of the Executive Board under the law, as well as the Company's articles of association are complied with. The Company Secretary shall assist the CEO in the organisation of the affairs of the Executive Board (the preparing and reporting of meetings, information etc.). The Company Secretary is as such also the secretary of the Executive Board.
- 4.4 The Company Secretary may delegate his duties under these By-Laws, or parts thereof, to a deputy appointed by him in consultation with the CEO.
- 4.5 The Company Secretary also performs - on request - tasks for the Supervisory Board.

CHAPTER DUTIES AND POWERS

5. GENERAL DUTIES AND POWERS

- 5.1 The Executive Board is charged with the management of the Company, which means, among other things, that it is responsible for the setting and achieving of the Company's objectives, strategy and policies, as well as the ensuing delivery of results. The Executive Board is accountable for these matters to the Supervisory Board and the General Meeting of Shareholders. The responsibility for the management of the Company is vested collectively in the Executive Board.
- 5.2 The Executive Board is responsible for compliance with all relevant laws and regulations, for managing the risks attached to the Company's activities and for financing the Company. The Executive Board reports on these issues and discusses the internal risk management and control systems with the Supervisory Board.
- 5.3 When discharging its duties the Executive Board shall act in accordance with the interests of the Company and the business connected with it, taking into consideration the interests of the Company's stakeholders.
- 5.4 The Executive Board is itself responsible for the quality of its performance.
- 5.5 The members of the Executive Board shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of its individual members.
- 5.6 The Executive Board is, together with the Supervisory Board, responsible for the corporate governance structure of the Company and compliance with the Dutch Corporate Governance Code.
- 5.7 The Executive Board shall perform its activities under the supervision of the Supervisory Board.

6. STRATEGY AND RISKS

- 6.1 The Executive Board shall formulate, record and submit to the Supervisory Board for approval: (i) the operational and financial objectives of the Company; (ii) the strategy designed to achieve the objectives; and (iii) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios.
- 6.2 The Executive Board shall be responsible for ensuring that the Company has internal risk management and control systems that are suitable for the Company. The Executive Board shall in any event employ as instruments of the internal risk management and control systems:
- (a) risk analyses of the operational and financial objectives of the Company;
 - (b) a code of conduct, which is posted on the Company's website;
 - (c) guides for the layout of financial reports and the procedures to be followed in drawing up the reports; and
 - (d) a system of monitoring and reporting.

7. FINANCIAL REPORTING; ANNUAL ACCOUNTS AND ANNUAL REPORT

- 7.1 The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The preparation and publication of the Annual Report, the Annual Accounts, the quarterly and half-yearly figures and ad hoc financial information require careful internal procedures. The Executive Board is responsible for establishing and maintaining internal procedures that ensure that all major financial information is known to the Executive Board, so that the timeliness, completeness and accuracy of the external financial reporting are assured. For this purpose the Executive Board shall ensure that financial information from business divisions and/or subsidiaries is reported directly to itself and that the integrity of that information is not compromised.

8. RELATION WITH THE EXTERNAL AUDITOR

- 8.1 The Executive Board shall ensure that the External Auditor can properly perform his audit work, and it shall encourage both the External Auditor and the Company to properly perform and pursue the role and the policy of the Company regarding the External Auditor, as provided for by agreement with the External Auditor, these By- Laws and the By-Laws of the Supervisory Board.
- 8.2 The Executive Board shall annually, and on an interim basis if necessary, report to the Supervisory Board on its dealings with the External Auditor, particularly on his independence (including the desirability of rotation of the responsible partners of the External Auditor's firm and the desirability of non-audit work for the Company by the External Auditor who also performs the audit).
- 8.3 At least once every four years, the Executive Board shall conduct a thorough assessment of the functioning of the External Auditor within the various entities and in the different capacities in which the External Auditor acts. The main conclusions of this assessment shall be communicated to the General Meeting of Shareholders for the purposes of assessing the nomination for the appointment of the External Auditor.

9. RELATION WITH THE SUPERVISORY BOARD

- 9.1 The CEO shall be the first contact for the Chairman and the Supervisory Board.
- 9.2 In relation to the provision of information and the exercise of duties and powers by the Supervisory Board and its members, the Executive Board and its members shall act in accordance with the provisions applying to the Executive Board and its members under or pursuant to these By-Laws, the By-Laws of the Supervisory Board, the Company's articles of association and the applicable laws and regulations.

10. RELATION WITH THE SHAREHOLDERS

- 10.1 The Executive Board and the Supervisory Board shall provide the General Meeting of Shareholders with all information required to exercise its powers.
- 10.2 The Executive Board and the Supervisory Board shall provide the General Meeting of Shareholders with all requested information, unless this would be contrary to an overriding interest of the Company. If the Executive Board and the Supervisory Board invoke an overriding interest, it shall state the reasons.
- 10.3 The Executive Board and the Supervisory Board shall ensure compliance with all applicable laws and regulations related to the rights of the General Meeting of Shareholders and the rights of individual shareholders with respect thereto.

11. RELATION WITH ANALYSTS, THE FINANCIAL PRESS AND INSTITUTIONAL AND OTHER INVESTORS

- 11.1 The Executive Board or, where appropriate, the Supervisory Board shall inform all shareholders and other parties in the financial markets equally and simultaneously about matters that may affect the share price. The contacts between the Executive Board on the one hand and press and financial analysts on the other shall be carefully handled and structured and the Company shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa.

12. WEBSITE OF THE COMPANY

The Executive Board shall post and update all information that the Company is required to publish or deposit pursuant to the applicable provisions of company law or securities law and regulation on a separate part of the Company's website.

CHAPTER III MEETINGS OF THE EXECUTIVE BOARD; DECISION-MAKING

13. MEETINGS OF THE EXECUTIVE BOARD

- 13.1 The Executive Board meets as much as is deemed desirable or required for a proper functioning of the Executive Board by any one or more Executive Board members. Meetings of the Executive Board shall be called by the CEO. Save in urgent cases, to be determined by the CEO, the agenda for the meeting shall be sent at least three calendar days before the meeting to all Executive Board members.
- 13.2 Executive Board meetings are chaired by the CEO. If the CEO is absent, one of the other Executive Board members, designated by a majority of votes cast by the Executive Board members present and represented at the meeting, presides over the meeting.
- 13.3 A Executive Board member may be represented at meetings by another Executive Board member holding a proxy in writing. The existence of such proxy must be proved satisfactorily to the CEO or, in his absence, Executive Board members present at the meeting.
- 13.4 The admittance to the meeting of persons other than the Executive Board members and the Company Secretary or his deputy shall be decided by majority vote of the Executive Board members present and represented at the meeting.
- 13.5 The Company Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting. The minutes should provide insight into the decision-making process at the meeting. The minutes shall be adopted by the Executive Board at the same meeting or the next meeting.

14. DECISION-MAKING WITHIN THE EXECUTIVE BOARD

- 14.1 The Executive Board members shall endeavour to achieve that resolutions are as much as possible adopted unanimously.
- 14.2 Each Executive Board member has the right to cast one vote.
- 14.3 Where unanimity cannot be reached and the law, the Company's articles of association or these By-Laws do not prescribe a larger majority, all resolutions of the Executive Board are adopted by an absolute majority of the votes cast. In the event of a tie, the CEO shall have the deciding vote. At a meeting, the Executive Board may only pass resolutions if the majority of the Executive Board members then in office are present or represented.
- 14.4 In general, resolutions of the Executive Board are adopted at a Executive Board meeting.
- 14.5 The Executive Board shall not pass resolutions relating to the area of expertise of a particular Executive Board member in the absence of that Executive Board member.
- 14.6 Executive Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Executive Board members then in office and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Executive Board members. A statement from a Executive Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.

- 14.7 The Executive Board may deviate from the provisions of clauses 14.3 (last sentence), 14.4, 14.5 and 14.6 if this is deemed necessary by the CEO, considering the urgent nature and other circumstances of the case, provided that all Executive Board members are allowed the opportunity to participate in the decision-making process. The CEO and the Company Secretary shall then prepare a report on any resolution so adopted, which shall be added to the documents for the next meeting of the Executive Board.
- 14.8 A resolution adopted by the Executive Board may be evidenced outside the Company through a statement from the CEO and/or the Company Secretary.

**CHAPTER IV
OTHER PROVISIONS****15. CONFLICTS OF INTERESTS OF EXECUTIVE BOARD MEMBERS**

15.1 A Executive Board member shall not:

- (a) enter into competition with the Company;
- (b) demand or accept (substantial) gifts from the Company for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- (c) provide unjustified advantages to third parties to the detriment of the Company; or
- (d) take advantage of business opportunities to which the Company is entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

15.2 A Executive Board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the Company and/or to the member concerned, to the Chairman of the Supervisory Board and to the other Executive Board members and shall provide all relevant information, including information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage upon the second degree. The Supervisory Board shall decide, without the Executive Board member concerned being present, whether there is a conflict of interest.

15.3 A conflict of interest exists, in any event, if the Company intends to enter into a transaction with a legal entity: (i) in which a Executive Board member personally has a material financial interest; (ii) which has a Executive Board member who has a relationship under family law with a Executive Board member; or (iii) in which a Executive Board member has a management or supervisory position.

15.4 A Executive Board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company.

15.5 All transactions in which there are conflicts of interest with Executive Board members shall be agreed on terms that are customary for arm's-length transactions in the branch of business in which the Company and its Subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interest with Executive Board members that are of material significance to the Company and/or the relevant Executive Board members require the approval of the Supervisory Board.

15.6 In the event of a conflict of interests between the Company and one or more members of the Executive Board of the Company, the Company shall be represented by the person or persons designated for such purpose by the Supervisory Board, save when one or more other persons have been designated by the General Meeting of Shareholders.

16. REMUNERATION OF EXECUTIVE BOARD MEMBERS

16.1 The remuneration and contractual terms of employment of Executive Board members are determined by the Supervisory Board in accordance with article 18 of the Company's articles of association, within the scope of the remuneration policy adopted by the General Meeting of Shareholders.

- 16.2 Executive Board members shall not profit from the activities of the Company other than through remuneration as an Executive Board member or through shares in the Company held for the purpose of long-term investment.
- 16.3 The Company and its Subsidiaries shall not grant personal loans, guarantees or the like to Executive Board members except within the framework of its usual business operations, on conditions which apply to all employees and with the approval of the Supervisory Board. Loans are not remitted.
- 16.4 Apart from their remuneration, Executive Board members shall be reimbursed for all reasonable costs incurred with the consent of the CEO, or, with respect to the CEO, incurred with the consent of the Chairman of the Supervisory Board.

17. OUTSIDE POSITIONS

- 17.1 A Executive Board member may not be a member of the supervisory board of more than two listed companies. A Executive Board member may not concurrently serve as chairman of the supervisory board of a listed company. Membership of the supervisory board of affiliates of the Company does not count for this purpose.
- 17.2 The acceptance by a Executive Board member of membership of the supervisory board of a listed company requires the approval of the Supervisory Board. Other important positions held by a Executive Board member must be notified to the Supervisory Board.
- 17.3 Executive Board members shall not without prior permission of the CEO (following consultation with the Chairman of the Supervisory Board) or, in the case of the CEO, prior permission of the Chairman of the Supervisory Board, accept:
- (a) any other remunerated employment position, including in an advisory or supervisory capacity; or
 - (b) any non-remunerated employment position.

18. HOLDING AND TRADING SECURITIES

- 18.1 Any shareholding by Executive Board members is for the purpose of long-term investment.
- 18.2 Executive Board members are bound to the Regulations on Insider Trading of the Company regarding securities of the Company and other securities referred to in these Regulations.

19. CONFIDENTIALITY

- 19.1 No Executive Board member shall, during his membership of the Executive Board or afterwards, disclose in any way whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and which he knows or should know to be of a confidential nature, unless required by law. A Executive Board member is allowed to disclose the above information to Executive Board members and Supervisory Board members as well as to staff members of the Company and of companies in which the Company holds a stake, who, in view of their activities for the Company and/or companies in which the Company holds a stake, should be informed of the information concerned. A Executive Board member shall not in any way whatsoever utilise the information referred to above for his personal benefit.

20. MISCELLANEOUS

- 20.1 **Acceptance by Executive Board members.** Anyone who is appointed as a Executive Board member must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of these By-Laws and pledge to the Company that he will comply with the provisions of these By-Laws.
- 20.2 **Occasional non-compliance.** The Executive Board may occasionally decide not to comply with these By-Laws, with due observance of applicable laws and regulations and with the prior approval of the Supervisory Board.
- 20.3 **Amendment.** These By-Laws may be amended by the Executive Board at any time and without any notification being made, subject only to prior Supervisory Board approval.
- 20.4 **Interpretation.** In the event of lack of clarity or difference of opinion on the interpretation of any provision of these By-Laws, the opinion of the Chairman of the Supervisory Board shall be decisive.

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ANNEX 1**LIST OF DEFINITIONS**

In the By-Laws of the Executive Board and the Supervisory Board, the following terms have the following meanings:

General Meeting of Shareholders means the general meeting of shareholders of the Company.

CFO means the Chief Financial Officer of the Company.

Subsidiary has the meaning attributed to it in Section 2:24a of the Dutch Civil Code.

External Auditor means the accounting and auditing firm that, in accordance with Section 2:393 of the Dutch Civil Code, is charged with the audit of the annual accounts of the Company.

affiliated company has the meaning attributed to it in Section 1 of the Disclosure of Major Holdings in Listed Companies Act 1996 (*Wet melding zeggenschap in ter beurze genoteerde vennootschappen 1996*).

group company has the meaning attributed to it in Section 2:24b of the Dutch Civil Code.

Annual Accounts means the annual accounts of the Company as referred to in Section 2:101 of the Dutch Civil Code.

Annual Report means the annual report of the Company drawn up by the Executive Board, as referred to in Section 2:101 of the Dutch Civil Code.

Supervisory Board Profile means the profile for the size and composition of the Supervisory Board, as designated in clause 1.1 of the By-Laws of the Supervisory Board.

By-Laws means the By-Laws of the Executive Board or the By-Laws of the Supervisory Board, depending on the context, including the annexes belonging thereto.

Executive Board means the Executive Board of the Company.

Supervisory Board means the supervisory board of the Company.

in writing means by letter, by telecopier, by e-mail, or by message which is transmitted via any other current means of communication and which can be received in written form.

Company means Kendrion N.V., and, where appropriate, the subsidiaries and possible other group companies of the Company, whose financial information is incorporated in the consolidated annual accounts of the Company.