

**RULES GOVERNING THE PRINCIPLES AND PRACTICES  
OF THE SUPERVISORY BOARD OF SHOP APOTHEKE EUROPE  
N.V.**

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**CHAPTER I - INTRODUCTION**

**Article 1**

**Status**

- 1.1 These rules (the *Rules*) govern the principles and practices of the supervisory board (the *Supervisory Board*) of Shop Apotheke Europe N.V. (the *Company*) and are complementary to the rules and regulations applicable to the Supervisory Board under Dutch law and the Articles of Association of the Company (the *Articles*). The Rules implement and reflect the principles embodied in the Dutch corporate governance code (the *Code*) effective as per 1 January 2004, as amended by the Dutch Corporate Governance Code Monitoring Committee from time to time.
- 1.2 The Rules were adopted by the Supervisory Board on 28 September 2016.
- 1.3 The following annexes are attached to, and form an integral part of, the Rules:
- Annex A: the Supervisory Board Profile; and  
Annex B: the rotation schedule of the Supervisory Board.
- 1.4 The Rules will be made available on the Company's website.

**CHAPTER II – COMPOSITION, INDEPENDENCE, (RE-)APPOINTMENT, REMUNERATION AND INDUCTION PROGRAM**

**Article 2**

**Composition, profile, expertise and independence**

- 2.1 The Supervisory Board consists of one or more members in accordance with article 20.1 of the Articles. The Supervisory Board shall prepare a profile of its scope and composition, taking into account the nature of the business, its activities, and the desired expertise, experience and independence of its members. The Supervisory Board shall evaluate the profile annually. The profile of the Supervisory Board is attached as Annex A and shall be updated when necessary. The profile shall be made generally available and shall be posted on the Company's website.
- 2.2 The composition of the Supervisory board shall be such that the combined experience and expertise of its members meet the profile attached as Annex A and enables the Supervisory Board to best carry out the variety of its responsibilities and duties to the Company and all others involved in the Company (including its shareholders), consistent with applicable law and regulations.

2.3 With regard to the composition and selection of members of the Supervisory Board, the Supervisory Board aims to comply with the Code, and the aim is for a balance in terms of gender, age, experience, independence and active and retired background. In composing the Supervisory Board, the following requirements must be observed:

- (a) each of its members must be capable of assessing the broad outline of the overall policy of the Company and its business;
- (b) each of its members must match the profile attached as Annex A;
- (c) members of the Supervisory Board may not hold more supervisory board positions at large companies or foundations, then prescribed in Section 2:142a of the Dutch Civil Code;
- (d) at least one of the members of the Supervisory Board must have relevant expertise in financial administration and accounting for listed companies or other large companies; and
- (e) the chairman of the Supervisory Board may not be a former member of the Managing Board of the Company (the **Managing Board**).

2.4 A member of the Supervisory Board shall be deemed to be independent if the following criteria of dependence do not apply to him. These criteria are that the member of the Supervisory Board concerned or his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law:

- (a) has been an employee or member of the Managing Board (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht*) in the five years prior to the appointment;
- (b) receives personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a member of the Supervisory Board and in so far as this is not in keeping with the normal course of business;
- (c) has had an important business relationship with the Company, or a company associated with it, in the year prior to the appointment. This includes the case where the member of the Supervisory Board, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the Company (consultant, external auditor, civil notary or lawyer) and the case where the member of the Supervisory Board is a member of the Managing Board or an employee of any bank with which the Company has a lasting and significant relationship;
- (d) is a member of the managing board of a company in which a member of the Managing Board is a member of the supervisory board of that company;
- (e) holds at least 10% of the shares in the Company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);
- (f) is a member of the managing board or member of the supervisory board - or is a representative in some other way - of a legal entity

- which holds at least 10% of the shares in the Company, unless such entity is a member of the same group as the Company; and
- (g) has temporarily managed the Company during the previous 12 months where members of the Managing Board have been absent or unable to discharge their duties.

- 2.5 The Supervisory Board may appoint one or more members as "delegated" members of the Supervisory Board. Delegated members of the Supervisory Board are members of the Supervisory Board with a special task. The delegated authority may not exceed the duties of the member of the Supervisory Board him/herself and does therefore not include managing the Company; it entails more intensive supervision and advice and more frequent consultation with the Managing Board. The delegation shall be of a temporary nature only. The delegation may not detract from the function and power of the Supervisory Board. Delegated members of the Supervisory Board remain members of the Supervisory Board.

### **Article 3**

#### **(Re-)appointment, term and resignation**

- 3.1 The members of the Supervisory Board shall be appointed in the manner stipulated in the Articles.
- 3.2 A member of the Supervisory Board shall be appointed for a maximum period of four years. A member of the Supervisory Board cannot be reappointed for more than two terms of four years.
- 3.3 The Supervisory Board shall draw up a retirement and reappointment schedule ('rotation schedule') to prevent, to the greatest extent possible, re-appointments occurring simultaneously. The rotation schedule of the Supervisory Board is attached as Annex B and shall be updated when necessary. The rotation schedule shall be made generally available and shall be posted on the Company's website. Subject to Article 3.4 of these Rules, members of the Supervisory Board shall resign in accordance with the rotation schedule.
- 3.4 Members of the Supervisory Board shall retire early in the event of inadequate performance, structural incompatibility of interests, and other instances where retirement is deemed necessary at the discretion of the Supervisory Board.
- 3.5 Members of the Supervisory Board who take on the management of the Company temporarily, where the members of the Managing Board are absent or unable to discharge their duties, shall (temporarily) resign from the Supervisory Board in order to do so.

#### **Article 4**

##### **Remuneration**

- 4.1 The remuneration of the members of the Supervisory Board shall be determined by the General meeting of shareholders of the Company (the *General Meeting*).
- 4.2 The Supervisory Board shall from time to time submit proposals to the General Meeting in respect of the remuneration to be paid to the members of the Supervisory Board. The remuneration of a member of the Supervisory Board may not be made dependent on the Company's results, except that certain shares or options on shares of the Company may be granted to members of the Supervisory Board. If the members of the Supervisory Board are required to charge VAT on their fees, the Company shall pay the amount of VAT.
- 4.3 In fixing the remuneration of the members of the Supervisory Board, the following requirements must be observed:
- (a) none of its members may hold shares or options on shares in the Company other than for long-term investment; and
  - (b) none of its members may accept personal loans, guarantees or other facilities from the Company, unless in the normal course of business and with the approval of the Supervisory Board. No remission of loans may be granted.

#### **Article 5**

##### **Induction Program**

- 5.1 Once appointed, each member of the Supervisory Board shall follow an induction program, prepared and sponsored by the Company, which, in any event, covers:
- (a) general financial, social and legal affairs;
  - (b) financial reporting by the Company;
  - (c) specific aspects that are unique to the Company and its business activities; and
  - (d) the responsibilities of a member of the Supervisory Board.
- 5.2 The Supervisory Board shall evaluate the induction program annually to identify any other specific aspects in respect of which further training and education is required.

**Article 6**  
**Supervisory Board committees**

- 6.1 If the Supervisory Board consists of more than four members, it shall at its own option have such other committees as the Supervisory Board deems fit and shall prepare rules governing the respective committee's principles and best practices (responsibilities, composition, meetings, etc.). The Supervisory Board's report shall set out the composition of the committee meetings and the main items discussed at those meetings. The rules and the composition of the committees shall be placed on the Company's website.

**CHAPTER III – FUNCTIONS, TASKS, RESPONSIBILITIES**

**Article 7**  
**Tasks and responsibilities of the Supervisory Board**

- 7.1 The Supervisory Board shall be responsible for supervising the Company's management and the Company's general affairs and the business connected with it, and for advising the Managing Board. In discharging its duties, the Supervisory Board shall be guided by the interests of the Company and its business; it shall take into account the relevant interests of all those involved in the Company (including the Company's shareholders). The Supervisory Board shall also have due regard for corporate social responsibility issues that are relevant to the Company. The Supervisory Board is responsible for the quality of its own performance.
- 7.2 The Supervisory Board is not an executive body of the Company and does not carry out the management of the Company. The members of the Supervisory Board are not executive officers of the Company.
- 7.3 The responsibilities of the Supervisory Board, amongst others, shall include:
- (a) supervising, monitoring and advising the Managing Board on: (i) the Company's performance, (ii) the Company's strategy and risks inherent to its business activities, (iii) the design and effectiveness of the internal risk management and control systems, (iv) the financial reporting process, (v) compliance with primary and secondary legislation, (vi) the company-shareholder relationship and (vii) corporate social responsibility issues that are relevant to the Company;
  - (b) disclosing, complying with and enforcing the Company's corporate governance structure;
  - (c) approving the financial statements and approving the Company's annual budgets and major capital expenditures;
  - (d) selecting and recommending the appointment of the Company's external auditor;
  - (e) selecting and recommending the appointment of the members of the Managing Board, proposing the remuneration policy for members of the Managing Board (such policy to be adopted by the General Meeting), fixing the remuneration (in accordance with such

- remuneration policy) and contractual terms and conditions of employment of members of the Managing Board;
- (f) selecting and recommending the appointment of the members of the Supervisory Board and proposing the remuneration of its members, subject to the approval of the General Meeting;
  - (g) evaluating and assessing the functioning of the Managing Board, the Supervisory Board, and their individual members (including the evaluation of the Supervisory Board's profile and the induction, education and training program);
  - (h) handling, and deciding on, reported potential conflicts of interests between the Company on the one side and members of the Managing Board, the external auditor and the major shareholder(s) on the other side; and
  - (i) handling, and deciding on, reported alleged irregularities that relate to the functioning of the Managing Board within the meaning of Article 18 of these Rules.

7.4 The Supervisory Board and its individual members each have their own responsibility for obtaining all information from the Managing Board and the external auditor that the Supervisory Board needs in order to be able to carry out its duties properly as a supervisory body. If the Supervisory Board considers it necessary, it may obtain information from officers and external advisers of the Company. The Company shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisers attend its meetings.

## **Article 8**

### **Functions of the chairman, vice-chairman and company secretary**

8.1 The Supervisory Board shall appoint one of its members as chairman of the Supervisory Board who shall ensure the proper functioning of the Supervisory Board as a whole. The Supervisory Board shall appoint a vice-chairman of the Supervisory Board who shall take the place of the chairman in the chairman's absence. The chairman shall act on behalf of the Supervisory Board as the main contact for the Managing Board and for the shareholders regarding the functioning of the members of the Managing Board and Supervisory Board respectively. The vice-chairman shall act as contact for individual members of the Supervisory Board and members of the Managing Board concerning the functioning of the chairman. The chairman determines the agenda, chairs the meetings of the Supervisory Board, monitors the proper functioning of the Supervisory Board, arranges for the adequate submission of information to the members of the Supervisory Board, ensures that there is sufficient time for decision taking, arranges for the induction and training program for members of the Supervisory Board, acts on behalf of the Supervisory Board as main contact for the Managing Board, initiates the evaluation of the functioning of the Supervisory Board and of the Managing Board, and as chairman ensures the orderly and efficient conduct of the General Meeting.

- 8.2 The chairman of the Supervisory Board shall ensure:
- (a) the co-ordination of the Supervisory Board's decision-taking process;
  - (b) the adequate and timely submission of information to the members of the Supervisory Board as necessary for the proper performance of their duties;
  - (c) that there is sufficient time for consultation, consideration and decision-taking by the Supervisory Board;
  - (d) the annual evaluation and assessment of the functioning of the members of the Managing Board and the Supervisory Board;
  - (e) that the contact with the Managing Board is productive and that the results thereof are timely and prudently communicated to the other members of the Supervisory Board;
  - (f) receiving, and deciding on, reported potential conflicts of interests within the meaning of Article 12 of these Rules;
  - (g) receiving, and deciding on, reported alleged irregularities relating to the functioning of the members of the Managing Board within the meaning of Article 18 of these Rules;
  - (h) the members of the Supervisory Board follow their induction, education and training program; and
  - (i) the Supervisory Board elects a vice-chairman.
- 8.3 The Supervisory Board shall be assisted by the company secretary. The company secretary shall be appointed by the Supervisory Board, whether or not from its members. The company secretary shall be primarily responsible for:
- (a) compliance of the Supervisory Board's functioning with Dutch law, the Articles and the rules and regulations issued pursuant thereto (including the Code and these Rules);
  - (b) assisting the chairman of the Supervisory Board in the logistics and procedures for the organization of Supervisory Board meetings (information, agenda, evaluation, etc.); and
  - (c) assisting the chairman of the Supervisory Board in the logistics of the induction, education and training program.

## **CHAPTER IV – REPORTING**

### **Article 9**

#### **Report of the Supervisory Board**

- 9.1 The annual financial report of the Company shall include a report of the Supervisory Board in which the Supervisory Board describes its activities in the financial year and which includes the specific statements and information required by the provisions of the Code.



9.2 The following information about each member of the Supervisory Board shall be included in the report of the Supervisory Board:

- (a) gender;
- (b) age;
- (c) profession;
- (d) principal position;
- (e) nationality;
- (f) other positions, in so far as they are relevant to the performance of the duties of the member of the Supervisory Board;
- (g) date of initial appointment; and
- (h) current term of office.

## **CHAPTER V – SUPERVISORY BOARD MEETINGS, DECISION-MAKING**

### **Article 10**

#### **Supervisory Board meetings**

10.1 A meeting of the Supervisory Board shall take place whenever a member of the Supervisory Board requests for a meeting. In the Supervisory Board meeting a member of the Supervisory Board may have himself represented by another member of the Supervisory Board through a power of attorney made in writing or by electronic means of communication. The meetings shall generally be held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by telephone or by other means of communication provided that all participants can hear each other simultaneously. Members of the Supervisory Board who are frequently absent shall be asked by the chairman to explain their absence.

10.2 Unless the Supervisory Board decides otherwise, meetings of the Supervisory Board shall be attended by one or more members of the Managing Board, save for meetings concerning:

- (a) the evaluation of the functioning of the Managing Board and its individual members and the conclusions to be drawn from that evaluation;
- (b) the evaluation of the functioning of the Supervisory Board and its individual members and the conclusions to be drawn from that evaluation;
- (c) the desired profile, scope and composition of the Supervisory Board; and/or
- (d) the potential conflicts of interests of members of the Managing Board within the meaning of Article 12 of these Rules.

10.3 The external auditor of the Company shall attend each Supervisory Board meeting at which the examination, adoption and, if applicable, approval of the financial statements are discussed.

- 10.4 Where this is practically possible, notices convening a meeting and the agenda of items to be considered and discussed therein shall be dispatched at least five working days before the meeting and sent to each member of the Supervisory Board and relevant members of the Managing Board.
- 10.5 The chairman, and in his/her absence the vice-chairman (if previously appointed), shall chair the meeting. If both are absent, the meeting itself shall appoint the chairman of the meeting. The chairman shall appoint a secretary of the meeting, who need not be a member of the Supervisory Board, and make arrangements for his/her substitution in case of absence.
- 10.6 Minutes of the meeting shall be prepared by the secretary of the meeting. They shall generally be adopted in the same meeting or in a following meeting of the Supervisory Board. The minutes shall be signed for adoption by the chairman and the secretary of the meeting and shall be dispatched to all members of the Supervisory Board as soon as practically possible. The secretary of the meeting may issue and sign extracts of the adopted minutes.

## **Article 11**

### **Decision-making**

- 11.1 In the meeting of the Supervisory Board each member of the Supervisory Board has the right to cast one vote, without prejudice to the provisions of conflict of interests set out in Article 13 of these Rules. The Supervisory Board decides by an absolute majority of the votes cast. In the event of a tie vote no resolution shall be passed unless there are more than two members of the Supervisory Board present or represented at the meeting, in which case the chairman of the Supervisory Board shall have the casting vote.
- 11.2 If the quorum requirements set out in Article 11.1 of these Rules are not met in a meeting, a second meeting shall be convened within two days after the date of the first meeting, to be held no later than seven days after the first meeting. In the second meeting valid resolutions can be adopted, regardless if the quorum requirement sets out in Article 11.1 is met in the second meeting, provided the resolution set out in Article 11.1 shall be adopted by an absolute majority of the votes cast in the second meeting.
- 11.3 Any member of the Supervisory Board who is frequently absent during meetings of the Supervisory Board will be asked by the chairman of the Supervisory Board to explain his/her absence. Frequent absences will be reported in the Supervisory Board's report.
- 11.4 The Supervisory Board may also adopt resolutions without holding a meeting, provided all members of the Supervisory Board entitled to vote have expressed themselves in writing or through electronic means of communication in favour of the proposal concerned. The secretary of the meeting shall draw up a report regarding a resolution thus adopted and shall circulate that report amongst all members of the Supervisory Board. The report shall be signed by all members of the Supervisory Board indicating their vote: "yes", "no" or "abstain".

- 11.5 The on-going items to be considered and discussed at Supervisory Board meetings include reviewing the Company's budget and financial results, approving major decisions requiring Supervisory Board action, discussing and approving corporate strategy (and changes thereto) with the Managing Board (*e.g.* long-term strategy, capital expenditures in excess of the Company's budget, long-term capital structures, new lines of business, major acquisitions and divestments). The Supervisory Board shall examine the efficiency of its activities on a regular basis.
- 11.6 At least once a year, the Supervisory Board shall discuss:
- (a) the functioning of the Supervisory Board and its individual members, and the conclusions to be drawn on the basis thereof;
  - (b) the desired profile, composition and competence of the Supervisory Board;
  - (c) the functioning of the Managing Board and its individual members and the conclusions to be drawn on the basis thereof;
  - (d) the evaluation of the induction, education and training program as referred to in Article 5 of these Rules; and
  - (e) the corporate strategy, the main risks of the business and the result of the evaluation by the Managing Board of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto.
- 11.7 Items not placed onto the agenda, will only be discussed in the meeting if a majority of the members of the Supervisory Board approve to this.

## **CHAPTER VI – CONFLICTS OF INTEREST**

### **Article 12**

#### **Conflicts of interest of members of the Supervisory Board**

- 12.1 A member of the Supervisory Board shall not participate in the deliberation and decision-making process on a subject or transaction in relation to which he/she has a direct or indirect personal interest which conflicts with the interest of the Company. In case of a conflict of interest in respect of a member of the Supervisory Board, the requirements set forth in Article 11 of these Rules shall, to the extent possible, remain applicable to the non-conflicted members of the Supervisory Board. A conflicted member of the Supervisory Board shall be taken into account when calculating a quorum. In case of a conflict of interest in respect of all members of the Supervisory Board, the Supervisory Board may nevertheless decide on the relevant subject. All transactions, in which there are conflicts of interest with members of the Supervisory Board, shall be agreed on terms that are at least customary in the sector concerned.

12.2 A member of the Supervisory Board shall in any event have a conflict of interest to the Company if:

- (a) he/she personally has a material financial interest in a company with which the Company intends to enter into a transaction;
- (b) his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law is a member of the Managing Board or member of the Supervisory Board of a company with which the Company intends to enter into a transaction; or
- (c) he/she is a member of the Managing Board or a member of the Supervisory Board of, or holds similar office with, a company with which the Company intends to enter into a transaction.

12.3 Each member of the Supervisory Board shall immediately report any (potential) conflict of interest that is of material significance to the Company and/or to him/her, to the chairman of the Supervisory Board. The member of the Supervisory Board with such (potential) conflict of interest must provide the chairman of the Supervisory Board with all information relevant to the conflict of interest, including information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law.

In case the chairman of the Supervisory Board has a (potential) conflict of interest he/she shall immediately report such potential conflict to the vice-chairman of the Supervisory Board, or any other member of the Supervisory Board in case no vice-chairman is appointed. The chairman of the Supervisory Board must provide the vice-chairman of the Supervisory Board or any other member of the Supervisory Board in case no vice-chairman is appointed, with all information relevant to the conflict of interest, including information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law.

In all circumstances listed in Article 12.2 of these Rules, the Supervisory Board will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest to which Article 12.1 of these Rules applies which prevents the relevant member from participation in the consultation and decision-making of the Supervisory Board with respect to the relevant subject. The member of the Supervisory Board concerned may not take part in the assessment by the Supervisory Board of whether a conflict of interest exists.

### **Article 13**

#### **Conflicts of interest of members of the Managing Board**

13.1 Article 12.2 of these Rules applies *mutatis mutandis* to the members of the Managing Board. In addition, a conflict of interests is deemed to exist in case the Company intends to enter into a transaction with a person or entity that holds at least 10% of the shares in the Company.

- 13.2 Each member of the Managing Board shall immediately report any (potential) conflict of interest that is of material significance to the company and/or to him to the chairman of the Supervisory Board. The member of the Managing Board with such (potential) conflict of interest must provide the chairman of the Supervisory Board with all information relevant to the conflict of interest, including information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law.
- 13.3 In all circumstances listed in Article 12.2 of these Rules, the Supervisory Board will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest pursuant to which the transaction must be concluded on terms that are at least customary in the sector concerned. If, as a result hereof, no Managing Board resolution can be adopted, the resolution shall be adopted by the Supervisory Board.

## **CHAPTER VII – RELATIONSHIP WITH OTHER CORPORATE BODIES OF THE COMPANY**

### **Article 14**

#### **Relationship with the Managing Board**

- 14.1 The Managing Board shall timely provide the Supervisory Board with information on all facts and developments concerning the Company, which the Supervisory Board may need to function as required and to properly carry out its duties.
- 14.2 The Managing Board shall monthly provide the Supervisory Board with a report prepared in a format as agreed from time to time and setting out detailed information on *inter alia* revenues and other relevant KPIs. The Managing Board shall also quarterly provide the Supervisory Board with appropriate financial reporting, including but not limited to a balance sheet and P&L statement, prepared in a format as agreed from time to time.
- 14.3 Each year, without prejudice to the above, the Managing Board shall provide the Supervisory Board with a budget for the following year, an up-to-date version of its long-term plans, the main features of the strategic policy, the general and financial risks, the management and control systems of the Company and the compliance with all relevant laws and regulations. In addition, the Managing Board shall issue an annual declaration that it has provided the Supervisory Board with all relevant information required for the due performance of its duties.
- 14.4 If a member of the Supervisory Board should receive information or indications relevant to the Supervisory Board for the proper performance of its supervisory and advisory tasks (from a source other than the Management or Supervisory Board), he/she shall make this information available to the chairman of the Supervisory Board as soon as possible. The chairman shall subsequently inform the entire Supervisory Board.

## **Article 15**

### **Relationship with the shareholders of the Company**

- 15.1 In accordance with the Articles, a General Meeting may be convened at the request of the Supervisory Board. The person(s) convening the General Meeting shall ensure that it is held in due time and that the shareholders are informed by means of an agenda which shall list which items are for discussion and which items are to be voted upon. A proposed resolution for approval or authorisation to be passed by the General Meeting shall be explained in writing, which explanation shall deal with of all facts and circumstances relevant to the approval or authorisation to be granted. The notes to the agenda shall be placed on the website of the Company.
- 15.2 Members of the Managing Board and members of the Supervisory Board shall, as required and necessary, participate in a General Meeting unless the General Meeting has expressed the wish to meet without the presence of the Supervisory Board or Managing Board or a specific member of the Supervisory Board or member of the Managing Board. The chairman of the Supervisory Board or, in his/her absence the vice-chairman of the Supervisory Board, or any other member of the Supervisory Board in case no vice-chairman is appointed, shall chair the General Meeting.
- 15.3 The Supervisory Board shall provide the General Meeting with any information it may require concerning an item on the agenda, unless important interests (*zwaarwegende belangen*) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Supervisory Board shall specify the reasons for invoking such important interests.
- 15.4 The Managing Board and the Supervisory Board are responsible for the corporate governance structure of the Company and must give account to the General Meeting in relation to such structure. Each year a broad outline of the Company's corporate governance structure shall be set forth in a separate chapter of the annual report. Such chapter will set forth which best practice provisions of the Code were complied with and if not, the reason for not doing so, and to which extent the Company deviates from these best practice provisions. Each significant change in the Company's corporate governance structure and the compliance of the Code shall be addressed in a separate item on the agenda for consideration by the annual General Meeting.

## **CHAPTER VIII – MISCELLANEOUS**

### **Article 16 Confidentiality**

- 16.1 Members of the Supervisory Board shall treat all information and documentation acquired within the framework of their position as member of the Supervisory Board with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Supervisory Board, made public or otherwise made available to third parties, even after resignation from the Supervisory Board, unless (i) it has been made public by the Company, (ii) it has been established that the information is already in the public domain, (iii) the Company is obliged to disclose information pursuant to law, or (iv) it is being made available to advisors of the Company in connection with specific advisory work such as advisers are providing to the Company.
- 16.2 Good corporate governance requires an open discussion between the Managing Board and Supervisory Board as well as among the members within the Managing Board and the Supervisory Board. For this, the comprehensive observance of confidentiality is of paramount importance. All Supervisory Board members shall ensure that the staff members they appoint to support them comply with the confidentiality obligation accordingly.

### **Article 17 Whistleblowers**

- 17.1 The Managing Board shall ensure that employees have the possibility of reporting alleged irregularities of a general, operational and financial nature within the Company to an official designated by the member of the Managing Board appointed as the Chief Executive Officer, without jeopardizing their legal position. Alleged irregularities concerning the functioning of members of the Managing Board shall be reported to the chairman of the Supervisory Board. The arrangements for whistleblowers shall be posted on the Company's website.

### **Article 18 Non-compliance, amendment**

- 18.1 The Supervisory Board may occasionally decide at its sole discretion not to comply with and adhere to these Rules pursuant to a Supervisory Board resolution to that effect. Such resolution shall be referred to in the Supervisory Board's report.
- 18.2 These Rules may be amended from time to time by resolution of the Supervisory Board to that effect.

**Article 19**  
**Governing law and jurisdiction**

- 19.1 The Rules shall be governed by and construed in accordance with the laws of the Netherlands.
- 19.2 The courts of Amsterdam, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with the Rules (including any dispute regarding the existence, validity or termination of the Rules).



## Annex A

### SUPERVISORY BOARD PROFILE

#### General

- 1.1 This profile was prepared in accordance with Article 2.1 of Shop Apotheke Europe N.V.'s (the **Company**) rules of the Supervisory Board (the **Supervisory Board Rules**).
- 1.2 The words and expressions used in this profile have the meaning given to them in the Supervisory Board Rules.
- 1.3 Taking into account the nature of the Company's business and its activities, the Supervisory Board's profile and composition is as follows.

#### Composition

- 2.1 The profile and composition of the Supervisory Board as a whole needs to be aligned with the profile and strategy of the Company. The Supervisory Board strives for a balanced distribution of specific expertise in relation to the business activities, strategy and long term goals of the Company.
- 2.2 With regard to the composition and selection of members of the Supervisory Board, the Supervisory Board aims to comply with the Dutch corporate governance code (the **Code**), and the aim is for a balance in terms of gender, age, experience, independence and active and retired background.
- 2.3 Given the size of the Company, the Supervisory Board generally considers four members to be a good composition. However the number of members necessary is dependent on the combined qualifications of the members in view of the required qualifications of the Supervisory Board as a body.
- 2.4 The Supervisory Board shall have a chairman and a vice-chairman. The chairman and the vice-chairman of the Supervisory Board shall at all times be independent within the meaning of the Code.

#### Qualifications

- 3.1 Currently the Supervisory Board consists of four members. Members of the Supervisory Board are selected and recommended according to the following selection criteria:
  - (a) overall professional experience;
  - (b) sector experience;
  - (c) background, education, training and degrees;
  - (d) other relevant specific skills;
  - (e) independence;
  - (f) professionalism and integrity.

- 3.2 The preferred composition of the Supervisory Board shall be such that:
- (a) the combined knowledge, experience and expertise of its members, taken together, enables the Supervisory Board to fully carry out its duties, with a primary focus on supervising the policies of the Managing Board and the general affairs of the Company as well as to assist the Managing Board by providing advice;
  - (b) the members are able to act critically and independently of one another and of the Managing Board and any particular interests;
  - (c) backgrounds, skills, approaches and personalities are complementary, resulting in a combined Supervisory Board that is more than the sum of its individual members.
- 3.3 The members of the Supervisory Board shall possess reputations of high professionalism and high integrity in their prior experience and business dealings. The Supervisory Board generally aims for a diverse composition in terms of such factors as gender and age, but diversity is not the most decisive factor when finding the most suitable candidate in line with this profile.
- 3.4 The Supervisory Board and each individual member of the Supervisory Board shall devote sufficient time to the fullest performance of his/her duties as demanded by developments in the Company.
- 3.5 Each member of the Supervisory Board shall be capable of assessing the broad outline of the Supervisory Board's overall policy objectives.
- 3.6 The Supervisory Board operates as a team and each of its members is guided by the interests of the Company and the enterprise associated with it. The Supervisory Board as a body should have the necessary qualifications in the following areas:
- (a) general management;
  - (b) (online) pharmacy industry;
  - (c) company strategy and risks inherent to the Company's business;
  - (d) corporate finance and M&A;
  - (e) financial administration and accounting, financial reporting and internal risk management and control;
  - (f) legal (compliance with laws, articles of association, stock exchange rules, corporate governance);
  - (g) commercial / marketing;
  - (h) human resources, organization and management development;
  - (i) business and the community (corporate responsibility, sustainability and social matters in the markets in which the Company does business);
  - (j) disclosure and communication matters in a listed company.
- 3.7 Following completion of his/her mandate, a member of the Supervisory Board shall be nominated for re-appointment only after careful consideration. The profile referred to above shall also be applied in the case of a re-appointment.
- 3.8 This profile will be assessed annually by the Supervisory Board.

**Annex B**

**ROTATION SCHEDULE SUPERVISORY BOARD**

<b>Name</b>	<b>First appointment</b>	<b>Scheduled for Reappointment</b>	<b>Position</b>
Mr. J. Pyttel	2016	general meeting 2019	chairman
Mr. B. Söder	2016	general meeting 2019	vice-chairman
Mr. F. Köhler	2016	general meeting 2019	member
Mr. J. Cochet	2016	general meeting 2019	member