



## RULES GOVERNING THE BOARD OF STRAUSS COFFEE B.V. (THE “COMPANY”)

The board of directors of Strauss Coffee B.V. (the “**Board**”) has at its meeting on May 30, 2016 held at the Company’s offices in Amstelveen, the Netherlands in accordance with the relevant provisions of the articles of association of the Company (the “**Articles**”), resolved to adopt these rules (the “**Rules**”). The Chairman of the Board has signed these Rules in evidence thereof.

### **Article 1 Definitions**

In these Rules, unless stated otherwise capitalized terms used herein shall have the same meaning as ascribed thereto in the shareholders' agreement concerning the Company dated September 10, 2008, as amended, supplemented or restated from time to time (where the Company is a party to such amendment) (the “**Shareholders Agreement**”).

### **Article 2 Interpretation**

2.1 In the Rules, unless the express context otherwise requires:

2.1.1 the words “hereof”, “herein”, “hereunder” and “hereby” and words of similar import, when used in the Rules, refer to the Rules as a whole and not to any particular provision of the Rules;

2.1.2 the terms defined in the singular have a comparable meaning when used in the plural, and vice versa;

2.1.3 wherever the word “include,” “includes,” or “including” is used in the Rules, it will be deemed to be followed by the words “without limitation”; and

2.1.4 references in the Rules to any gender include each other gender.

### **Article 3 Status and contents of the Rules**

3.1 These Rules complement the rules and regulations that apply from time to time to the Board under Dutch law and the Articles.

3.2 Where the Rules are inconsistent with the Articles or Dutch law, the Articles and Dutch law will prevail. Where the Rules conform to the Articles but are inconsistent with Dutch law, Dutch law will prevail. If one or more provisions of the Rules are or become invalid, the invalidity of such provision(s) will not affect the validity of the remaining provisions and the Board shall replace the invalid provisions with valid provisions. Where possible, the effect of those valid provisions will, given the content and purpose of the Rules, be similar to those of the invalid provisions.

3.3 These Rules are in addition to the terms of the Shareholders Agreement. The specific terms of the Shareholders Agreement, to the extent relevant to the Rules, shall be deemed incorporated herein by reference and shall modify any applicable article of these Rules. These Rules shall be amended in accordance with Article 14 below in the event of an IPO as required pursuant to the shareholders agreement concerning the Company dated March 20, 2015.



3.4 The following schedules are attached to and form an integral part of the Rules:

**Schedule 1:** the Mergers & Acquisitions Committee Charter

**Schedule 2:** the Audit Committee Charter

**Schedule 3:** the Human Resources Committee Charter

**Schedule 4:** the Finance Committee Charter

3.5 The Board and each Board member will comply with and be bound by the obligations contained in the Rules; and upon appointment new Directors will automatically be bound by the Rules.

#### **Article 4 Responsibilities of the Board**

4.1 Subject to the allocation of duties in accordance with Article 4.2 below, the Directors shall be collectively responsible for the management of the Company, including supervision over the officers as referred to in Article 11.1, and the business and general affairs of the Company and its business and of the Group.

4.2 The Directors will allocate their duties by mutual agreement. If a Director is absent, his/her duties and powers will be exercised by one or more other Directors designated by the Board.

4.3 Each Director must account to the Board for the performance of his/her duties and shall report to the Board on a regular basis in such a manner as to give the Board, having regard to its collective responsibility, a reasonably detailed understanding of that performance.

4.4 Each Director is entitled to request any information regarding the Group as he/she deems useful or necessary from the other Directors, the CEO or the CFO. Directors may make such requests for information from the CEO and CFO as are not unduly burdensome and as are reasonably necessary and to enable such Director to fulfil its legal and fiduciary obligations, provided that the Chairperson is copied on any such requests to the CEO, and the CEO and the Chairperson are copied on any such requests to the CFO.

4.5 Each Director must consult with relevant other Directors in the event that the fulfilment of his/her duties also pertains to the fulfilment of the duties of those other Directors, or in the event that the relevance of the subject requires consultation with the such or all other Directors.

4.6 The Board, in carrying out its duties, shall be guided by the interest of the Company and its enterprise. To the extent permitted by law, the Board shall take into account the relevant interests of all of the Company's stakeholders (including the Shareholders). The Board is responsible for the quality of its own performance.

4.7 The responsibilities of the Board include:

- (a) reviewing and approving the Company's business plans and any material amendment thereto;
- (b) reviewing and approving the Company's budget and any material amendment thereto;
- (c) proposing the Company's annual report and financial statements for adoption by the general meeting;



- (d) approving major decisions as required by Dutch law, the Articles Association or the Rules;
- (e) discussing and approving the strategies for the shaping of the portfolio and direction of the Group; and
- (f) receiving, considering and approving reports from the Board Committees (as defined in Article 12.1 below).

4.8 The Board will further consider and decide on the following:

- (g) the matters listed in Schedule 2 of the Shareholders Agreement;
- (h) granting signatory powers of attorney, provided that any transaction valued at EUR 5 million or more (except for raw materials, product containers and packaging materials) shall be subject to Board approval;
- (i) approval of policies and procedures; and
- (j) material tax matters.

4.9 The management of the Company can be delegated by the Board to the officers referred to in Article 11.1. The Board shall be authorised to delegate powers to the officers referred to in Article 11.1 in accordance with the provisions of Article 11.3.

4.10 The management will in any event include the following duties and powers:

- (a) determining the Company's management agenda;
- (b) managing the performance of the Company and the Group;
- (c) assessing and managing risks connected with the Company's business activities;
- (d) realisation of the Company's operational and financial objectives;
- (e) structure and management of the Company's systems of internal business controls;
- (f) maintaining and preparing financial reporting process;
- (g) compliance with applicable laws and regulations;
- (h) compliance with and maintaining the corporate governance structure of the Company;
- (i) publication of any information required by applicable laws and regulations, including any information required by the Shareholders under their applicable laws and regulations;
- (j) considering the corporate social responsibility issues that are relevant to the Company; and
- (k) rendering advice in connection with the nomination of the independent auditor of the Company.



- 4.11 At least once a year, the Board shall discuss:
- (a) the functioning of the Board, the individual Directors and the officers appointed by the Board, and the conclusions to be drawn on the basis of the discussion; and
  - (b) the strategy of the Group, the risks of the business and the evaluation by the Board of the structure and operation of the internal risk management and control systems.
- 4.12 The Board supervises the performance and execution by the officers appointed by the Board and by the Board Committees of their duties and is ultimately responsible for the fulfilment of those duties.
- 4.13 In discharging its responsibilities, the Board may obtain advice and assistance from personnel of the Shareholders (or their respective affiliates) as is necessary or appropriate, and may ask members of management, advisors and other invitees, including executives of the Shareholders (or their respective affiliates), to attend meetings and participate in discussions. Any individual that is not a Director in attendance at a meeting will leave such meeting at the request of any Director for the purpose of allowing for confidential deliberations of the Board.

**Article 5 Composition of the Board. Appointment of Directors. Absence and inability to act.**

- 5.1 The Board shall consist of such number of members as mentioned in the Articles.
- 5.2 The composition of the Board and the manner of appointment and removal of Directors shall be in accordance with the Shareholders Agreement, the Articles and Dutch law.
- 5.3 In the event of absence or inability to act (*ontstentenis of belet*) of a Director of more than one hundred twenty (120) days, the Board shall, within a reasonable period of time, whereby it may take into consideration General Meetings which have already been scheduled, convene a General Meeting at which the replacement of that Director is put on the agenda.
- 5.4 In the event of the absence or inability to act of all Directors, the management of the Company is performed by the persons as described in the Articles.

**Article 6 Chairperson and Secretary**

- 6.1 The Chairperson monitors the proper performance of the Board and the Board Committees. The Chairperson determines the agenda for meetings of the Board and will add such items to the agenda as requested by any Director. In principle the Chairperson chairs the meetings of the Board, and ensures the orderly and efficient conduct of the Board meetings.
- 6.2 The Chairperson ensures that:
- (a) information as is necessary for the proper fulfilment of their duties is submitted to the Directors in a timely and adequate manner;
  - (b) there is ample time for consultation, consideration and decision-making by the Board;
  - (c) the Board Committees are functioning adequately;



- (d) the performance of the Directors is assessed, in accordance with Article 4.11; and
- (e) reported alleged irregularities relating to the functioning of the Board and officers are received and decided on.

6.3 The Board will be assisted by the Secretary. The Secretary, in this capacity, will be appointed and dismissed by the Board from outside its members. The Secretary will be primarily responsible for:

- (a) the Board's compliance with applicable laws, the Articles and the rules and regulations issued pursuant thereto (including the Rules); and
- (b) assisting the Chairperson in ensuring a proper functioning of the Board.

#### **Article 7 Meetings of the Board**

- 7.1 The Board shall meet as often as it deems necessary or appropriate or upon the request of the Chairperson or any two Directors jointly, and as least as often as described by the Articles.
- 7.2 Board meetings may be convened by the Chairperson or by two Directors having requested the meeting in accordance with Article 7.1.
- 7.3 Board meetings are generally held at the offices of the Company, but may also take place elsewhere in or outside of the Netherlands. In addition, a Director may participate in any meeting of the Board by means of telephone or video connection in accordance with the Articles.
- 7.4 The Chairperson shall use reasonable endeavours to schedule meetings at times and venues convenient and accessible for all Directors, and, in particular, shall, to the extent practicable, schedule meetings at times which are between the hours of 7 a.m. and 9 p.m. in the United States (mainland), Israel, and the European Union.
- 7.5 Notices convening a Board meeting and the agenda of items to be discussed during such meeting will be provided to each Director in accordance with section 4.17 of the Shareholders Agreement.
- 7.6 The Secretary shall prepare minutes of each meeting of the Board. The minutes will generally be adopted in the next Board meeting. If all Directors agree on the content of the minutes, the minutes may be adopted earlier. The minutes may be signed for acceptance by the Chairperson. The Secretary may issue and sign extracts of the signed minutes. The minutes will be kept by the Secretary at the offices of the Company.

#### **Article 8 Quorum; Board resolutions**

- 8.1 A quorum at a Board meeting will require the presence or representation of a majority of the Directors then in office, of which two must be Directors nominated by Strauss Group Limited (“**SGL**”) and one must be a Director nominated by Robusta Coöperatief U.A. (“**Robusta**”) insofar as Robusta has the right to nominate one Director in accordance with the Shareholders Agreement (“**Board Quorum**”).
- 8.2 Meetings of the Board of which the Directors have received at least ten (10) Business Days’ notice will, in accordance with Article 7.5, proceed as long as a Board Quorum is present. If a Board



Quorum is not present at the initial meeting of the Board so scheduled, then the following provisions shall apply in respect of adjournments thereto:

8.2.1 The meeting of the Board shall be adjourned to a time and date falling no later than 48 hours after the time and date of the initial scheduled meeting of the Board (the “**first adjourned meeting**”).

8.2.2 If a Director is unable to attend the first adjourned meeting, then, at any time up to the time and date of the first adjourned meeting, such Director shall be entitled to object (by written notice to the Chairperson, including by email) to the time and date set for the first adjourned meeting and to request that it be postponed to a time and date falling no later than 24 hours after the scheduled time and date for the first adjourned meeting (the “**second adjourned meeting**”).

8.2.3 If no Director has so objected to the time and date of the first adjourned meeting, then the first adjourned meeting may proceed as scheduled in accordance with Article 8.2.1 and no Board Quorum shall be required. If a Director has so objected to the time and date of the first adjourned meeting, then the second adjourned meeting may proceed as scheduled in accordance with Article 8.2.2 and no Board Quorum shall be required.

8.2.4 At any adjourned meeting of the Board (including the first adjourned meeting and the second adjourned meeting), the Board is only entitled to discuss and vote on agenda items that were specifically set out in the notice for the first scheduled meeting of the Board (and not on any new (even if related) items).

8.3 Subject to Reserved Matters under the Shareholders Agreement and as otherwise provided by applicable Dutch law, resolutions of the Board will be adopted by simple majority of the votes cast. In a tie vote, the proposal will be deemed rejected.

8.4 A Director may authorise another Director to represent him/her at a specific Board meeting and to vote on his/her behalf with respect to specific matters.

8.5 Each Director has one vote. For the avoidance of doubt, a Director representing one or more absent Directors by written power of attorney will be entitled to cast the vote of each absent Director for whom he holds a valid power of attorney.

8.6 The Board may also adopt resolutions outside a meeting in accordance with the requirements in connection therewith under Article 6.1.6 of the Articles.

## **Article 9 Special Board resolutions**

9.1 A resolution by the Board to propose to the General Meeting the appointment of an independent auditor may only be adopted if such person was recommended to the Board by the Audit Committee. If the Audit Committee has recommended a person to the Board for nomination to the General Meeting as independent auditor, and the Board resolves to not nominate such person to the General Meeting, the Board shall request the Audit Committee to recommend another person to the Board. For the avoidance of doubt, in accordance with applicable Dutch law the General



Meeting shall (if deemed necessary) be authorized to appoint an auditor at its sole discretion, without having received a proposal of the Board to appoint a specific auditor.

- 9.2 The Board may only resolve to approve a transaction with a related party (as described in the Shareholders Agreement, “**Related Party Transactions**”) or a financial disclosure of the Company and/or relating to the Group, including any earnings release and any other financial information, falling within the scope of matters on which the Audit Committee has authority to make recommendations as set out in Schedule 2 of the Rules (“**Financial Disclosures**”) if the Audit Committee has previously recommended this to the Board, and in accordance with any conditions as recommended by the Audit Committee, provided that the Board may resolve to approve a Financial Disclosure without a recommendation of the Audit Committee if a disclosure is required by applicable law or regulations and is to be made in such short timeframe that it is not practical for the Audit Committee to consider making a recommendation.

#### **Article 10 Conflicts of interests; Related Party Transactions**

- 10.1 Each Director shall promptly disclose to the Audit Committee any personal direct or indirect interest which potentially conflicts with the interest of the Company and its enterprise (a “**Conflict of Interest**”). Each Director with a potential Conflict of Interest must provide all information relevant thereto to the Audit Committee.
- 10.2 The Audit Committee shall determine whether a disclosed potential Conflict of Interest qualifies as a Conflict of Interest. The Director who disclosed a potential Conflict of Interest will not participate in the discussions and decision-making in the Audit Committee to determine whether or not a disclosed potential Conflict of Interest qualifies as a Conflict of Interest.
- 10.3 If the Audit Committee determines that the potential Conflict of Interest of a Director does qualify as a Conflict of Interest, such Director will not participate in the discussions and decision-making on the relevant subject (within the Board). If the Board is unable to adopt a resolution as a result of the aforementioned provisions, the General Meeting will adopt the resolution.

#### **Article 11 CEO, CFO and other officers**

- 11.1 The Board is authorised to appoint a Chief Executive Officer (CEO), a Chief Financial Officer (CFO) and such other officers of the Company as it deems appropriate.
- 11.2 In case of the absence or inability to act of the CEO or CFO, the Board is authorised to temporarily fill the vacant position or, in case of a CEO or CFO unable to act, up to the moment he is no longer unable to act. For the avoidance of doubt, the mere fact that the CEO or CFO does not attend a meeting which he is expected to attend does not amount to his absence.
- 11.3 The Board is authorised to delegate and grant the officers referred to in Article 11.1 such duties and powers as it deems appropriate. The Board ultimately remains responsible for any duties and powers delegated or granted in accordance with the preceding sentence.
- 11.4 The CEO and CFO shall at the end of each quarter (or at such more regular intervals as may be determined by the Board) provide the Board with information on subjects including but not limited to finance, marketing, operations, investments and staff of the Group. The CEO and CFO shall



provide an explanation of, and comments on, the above as well as information concerning the Group's policies. The CEO and CFO shall attend Board meetings if the Board so desires.

#### **Article 12 Board Committees**

- 12.1 The Board may delegate and grant certain tasks and powers to one or more permanent and/or ad hoc committees (collectively, the "**Board Committees**") formed from among its members; provided, however, that the Board shall retain ultimate responsibility for any such delegated tasks and powers. The function of the Board Committees is to prepare the decision making of the Board. The Board Committees have no independent powers unless and to the extent explicitly delegated and granted by the Rules, by the Board or by applicable law and regulations. The Board Committees will, on a regular basis, report on their actions, reviews, proposals, and findings to the Board in such way that a proper understanding of the fulfilments of its duties is obtained.
- 12.2 The Board will establish at least four (4) permanent Board Committees: Audit Committee, M&A Committee, HR Committee and Finance Committee.
- 12.3 The authorities and responsibilities of each Board Committee mentioned under 12.2 above are set out in written charters adopted by the Board attached to these Rules as Schedules 1, 2, 3 and 4 respectively, as may be amended from time to time in accordance with the Rules and the Articles.
- 12.4 Each Board Committee will be composed of Directors nominated by SGL and Robusta in the same proportion as their entitlement to representation on the Board provided that either SGL or Robusta may choose not to have its representation on any Board Committee.

#### **Article 13 Confidentiality**

- 13.1 Except to shareholders of the Company (to the extent permitted under Dutch law, Directors shall at all times treat all information and documentation obtained in their capacity as Directors with due discretion and, in the case of confidential information or documentation, with utmost confidentiality.
- 13.2 Confidential information and documentation shall not be disclosed outside the circle of the Board, unless adequate confidentiality agreements have been entered into and unless required by applicable law or regulation or a government or other regulatory body or if the information is already in the public domain.

#### **Article 14 Amendments**

The Rules may be amended by the Board from time to time in writing with a simple majority of the Board members, provided that the amendment will not derogate from SGL's or Robusta's rights under the Shareholders Agreement.

#### **Article 15 Governing law; Dispute resolution**

The Rules are governed exclusively by the laws of the Netherlands. All disputes arising in connection with the Rules, including disputes concerning the existence and validity thereof, shall be resolved pursuant to the dispute resolution provisions under the Shareholders Agreement.



## **Schedule 1 Mergers & Acquisitions Committee Charter**

### **Article 1 The Committee's Purpose**

1. The Committee advises and assists the Board in relation to its responsibilities in overseeing and reviewing the major features of the Company's merger, acquisition and divestiture activities and relevant strategic plans and their implementation.
2. The Committee reviews the M&A pipeline, agrees deal prioritisation and resource allocation, and reviews and provides the Board with its opinion on recommendations in relation to the Company's merger, acquisition and divestiture activities, as set forth below in this Charter.

### **Article 2 Constitution and Membership**

1. The Committee shall consist of two members of the Board nominated by SGL and one member of the Board nominated by Robusta, provided that either SGL or Robusta may choose not to have its representative in the Committee. The Board shall appoint the Committee members.
2. The Board shall appoint the Chairman of the Committee. In the absence of the Committee Chairman the remaining members present shall elect one of their number present to chair the meeting.
3. The Company Secretary will be Secretary of the Committee, unless the Committee decides otherwise.

### **Article 3 Duties, Authority and Responsibilities**

1. The Committee shall oversee and review the Company's strategies for merger, acquisition and divestiture activities, and the identification of candidates, for approval by the Board.
2. The Committee shall regularly review the M&A Pipeline with management and review deal prioritisation and resource allocation based thereupon.
3. The Committee shall oversee and review the implementation of the Company's merger, acquisition and divestiture activities and strategic plans.
4. The Committee shall review and approve merger, acquisition and divestiture transactions in preparation for discussion and approval by the Board.
5. The Committee is empowered to have full access to all books, records and facilities at any time.
6. The Committee may delegate specific responsibilities to one or more individual Committee members to the extent permitted by law, regulation, and the Articles.
7. The Committee shall prepare and present to the Board a report of its deliberations and findings on an annual basis and furthermore as often as the Board or the Committee may deem appreciate.

### **Article 4 Meetings and Decisions**

1. The Committee shall meet formally at least four times a year. Meetings may be held by telephone or video conference.



2. The Committee may invite to its meetings any Director and/or senior manager of the Company or such other person, as it deems appropriate to assist the Committee in performing its responsibilities.
3. A meeting of the Committee may be called by any member of the Committee or by the Secretary.
4. Notice of each meeting of the Committee confirming the venue, time and date together with an agenda of items to be discussed and supporting papers where appropriate shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee and any other person required to attend not less than five days prior to the date of the meeting.
5. Following each meeting of the Committee, the Committee Chairman or, in his absence, another member of the Committee, shall report to the Board on the matters considered and dealt with by the Committee.
6. The Secretary shall keep appropriate records of all meetings of the Committee with appropriate minutes of proceedings and, after approval and signature by the Chairman of the Committee, shall submit them to all members of the Board.



## Schedule 2 Audit Committee Charter

### Article 1 Responsibilities

1.1 The Audit Committee is appointed by the Board to assist the Board in its oversight of: (a) the integrity of the Company's financial statements and internal controls, (b) compliance with legal and regulatory requirements, (c) the qualifications and independence of the Company's independent auditor, (d) the process relating to internal risk management and control systems, (e) the performance of the Company's internal audit function, (f) compliance with recommendations and observations of internal and independent auditors, and (g) oversight of related party transactions.

1.2 The primary responsibilities of the Committee are set forth below. The Audit Committee will:

#### A. Oversight of Independent Auditors

1. Require the independent auditor to report directly to the Audit Committee and will appoint, oversee the work of, evaluate the qualifications, performance and independence of, determine compensation for, and where appropriate, remove, replace, or rotate, the independent auditor to the Company and to its subsidiaries over which the Company has effective control (subject to a resolution of the General Meeting to that effect, if and to the extent required by law). In evaluating the performance of the independent auditor, the Audit Committee will evaluate the performance of the independent auditor's lead partner and will consider whether the provision of non-audit services is compatible with maintaining the auditor's independence, and ensure the rotation of audit partners as required by law. The Audit Committee will present its conclusions with respect to the independent auditor to the Board.
2. Review and pre-approve, to the extent required by applicable laws and regulations, the scope and general extent of the independent auditor's services, audit and non-audit, the significant audit procedures that will be used, and the estimated fees for its audit services.
3. Obtain and review a report by the independent auditor, at least annually, regarding: (a) the independent auditor's quality control procedures, (b) any material issues raised by the most recent internal quality control or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting an independent audit conducted by the firm, (c) any step taken to address such issues, and (d) all relationships between the independent auditor and the Company. The Audit Committee will also discuss with the independent auditor whether any disclosed relationships or services may impact the objectivity and independence of the independent auditor and make appropriate recommendations to the Board concerning such matters.
4. Obtain and review a report by the independent auditor, at least annually, containing: (a) the auditor's conclusions regarding the Company's critical accounting policies and the application of those policies, (b) all alternative treatments of financial information within international financial reporting standards ("IFRS") that have been discussed with management and the ramifications of the use of such alternative treatments, (c) the critical



accounting policies preferred by the independent auditor, and (d) other matters required to be discussed with the independent auditor by applicable laws and regulations.

5. Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Company's audit team.
6. Review with the independent auditor any problems or difficulties in auditing the Company's financial statements and management's responses. The Audit Committee will make efforts to resolve any disagreements between management and the independent auditor regarding financial reporting.
7. Act as the principal contact for the independent auditor if it discovers irregularities in the content of financial reporting.

#### **B. Oversight of Internal Auditors**

1. Establish a direct line of communication with the senior internal auditor and review the findings of significant reports to management made by the internal audit division and management's responses. The Audit Committee will also review and approve internal audit plans and recommended changes to the plans, including as such plans relate to the structure, qualification and activities of the internal audit function and the scope of internal audit responsibilities in relation to the independent auditor's duties, and assess the effectiveness of the internal audit function at least once a year.
2. Recommend for Board approval the appointment and replacement of the senior internal auditor, and approve all matters related to responsibilities, budget and staffing of the internal audit.

#### **C. Financial Statement and Disclosure Matters**

1. Review the preparation of any financial statements or reports, reports on internal controls over financial reporting, information relating to statutory auditors and the like.
2. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made or to be made in management's discussion and analysis.
3. Review with management and the independent auditor significant financial reporting issues and judgments made or to be made in connection with the preparation of the Company's financial statements, including the Company's critical accounting principles and any significant changes to those principles or their application, the effect of off-balance sheet structures on the Company's financial statements, and material or non-financial arrangements that do not appear in the Company's financial statements, and make recommendations to the Board for approval in respect of all of the foregoing. Discuss the effect of regulatory and accounting initiatives on the Company's financial statements.
4. Review with management and the independent auditor any major issues as to the adequacy of the Company's internal controls over financial reporting, any special steps



adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting, and make recommendations to the Board for approval in respect of all of the foregoing.

5. Review with management and the independent auditor the Company's internal controls over financial reporting report and the independent auditor's attestation of the report.
6. Review disclosures made by (executive) officers of the Company during their certification process for any financial statements requiring such certification about the results of their evaluation of the effectiveness of disclosure controls and any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses, and any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.
7. Review and discuss with management prior to release the Company's earnings press releases as proposed, including the use of "pro forma" or "adjusted" non-IFRS information, as well as financial information and earnings guidance provided or to be provided to analysts and rating agencies, and make recommendations to the Board for approval in respect of all of the foregoing.

#### **D. Corporate Oversight**

1. Discuss (a) the Company's major financial and other significant risk exposures or deficiencies, and the steps management has taken to monitor and control or mitigate such exposures and deficiencies and (b) the Company's risk assessment and risk management policies.
2. Periodically assess whether the Company has implemented the appropriate internal risk management and internal control culture.
3. Periodically assess the financing of the Company, and review reports of credit rating agencies.
4. Review the Company's applications of information and communication technology.
5. Review and recommend for Board approval appropriate codes of conduct or compliance policies. Review annually the implementation and effectiveness of the code of ethics and compliance programs, and any significant deviations by officers and employees from the ethics and compliance policies.
6. Review "whistleblowing" procedures, i.e., procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and review any such significant complaints or concerns.
7. Review periodically, but not less than annually, the Company's insurance programs, tax policy and investment performance.



8. Review with management, as appropriate and at least annually, legal matters that may have a material impact on the Company's financial statements and any material reports or inquiries received from regulators or governmental agencies.
  9. Have the right to be notified of all Related Party Transactions (as such expression is defined in International Accounting Standard 24) and proposed Related Party Transactions, and the authority to recommend to the Board approval of all Related Party Transactions before they are entered into (including the right to recommend conditions on the granting of the Board's approval to the Board, as appropriate). The Audit Committee shall have the responsibilities set out in Article 10 of the Rules.
  10. Direct and oversee, as appropriate, investigations into any matter brought to its attention within the scope of its duties.
- 1.3 The Audit Committee shall perform such other duties and responsibilities as are consistent with the purpose of the Audit Committee and as the Board or as required of the Audit Committee under applicable Law and regulations.

#### **Article 2 Composition and expertise of the Audit Committee**

- 2.1 The Audit Committee will consist of three (3) members, two nominated by SGL and one nominated by Robusta, provided that either SGL or Robusta may choose not to have its representative in the Committee. The Board shall appoint the Committee members.
- 2.2 Each member of the Audit Committee will be financially literate, as such qualification is interpreted by the Board in its business judgment, or become financially literate within a reasonable time after appointment to the Audit Committee.

#### **Article 3 Chairperson**

- 3.1 A Director will be appointed by the Board as chairperson of the Audit Committee. The chairperson will be primarily responsible for the proper functioning of the Audit Committee. He/she will act as the spokesman of the Audit Committee and be the main contact for the Board's communication with the Audit Committee. If the chairperson is not present at a meeting of the Audit Committee, the Audit Committee members present at such meeting shall designate one of its members as the acting chair of such meeting.

#### **Article 4 Audit Committee meetings**

- 4.1 The Audit Committee will meet as often as it deems necessary to carry out its responsibilities and whenever the chairperson has requested a meeting, provided that the Audit Committee holds at least four (4) meetings per year.
- 4.2 A majority of the members of the Audit Committee shall constitute a quorum.
- 4.3 Audit Committee meetings are generally held at the offices of the Company, but may also take place elsewhere at the discretion of the chairperson. In addition, Audit Committee meetings may be



held by teleconference or videoconference (or by any combination of these) provided that all participants can hear each other simultaneously.

- 4.4 The Committee shall decide whether and, if so, when any Company executives, the independent auditor and/or the internal auditor should attend its meetings. The Committee will regularly meet privately in separate sessions with senior management, the independent auditor, and the internal auditor and will meet in executive session as necessary or appropriate. The Audit Committee shall meet with the independent auditor as often as it considers necessary, but at least once a year, without any executive officer being present.
- 4.5 The Board authorises the Audit Committee to request information from any officer or employee of the Company or its outside legal counsel or independent auditors and to request that any such persons attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.
- 4.6 Minutes of the meeting will be prepared by the secretary designated by the Audit Committee. They will generally be adopted in the next meeting. If all members of the Audit Committee agree on the contents of the minutes they may be adopted earlier. The Minutes may be signed for adoption by the Chairperson.

#### **Article 5 Audit Committee resolutions**

- 5.1 Resolutions of Audit Committee will be adopted by a simple majority of the votes cast. In a tie vote, the proposal will be deemed rejected.
- 5.2 Each member will have one vote. For the avoidance of doubt, a member representing one or more absent members of the Audit Committee by written power of attorney will be entitled to cast the vote of each absent member for whom he holds a valid power of attorney.
- 5.3 The Audit Committee may also adopt resolutions outside a meeting, provided that the relevant motion was submitted in writing to all of its members reasonably in advance and none of them has objected to this form of decision-taking. The adoption of resolutions outside a meeting must be recorded in writing and signed by all of the Audit Committee members.

#### **Article 6 Organisation**

- 6.1 The Audit Committee will regularly report to the Board, and will report each year with respect to the activities of the Audit Committee and compliance with this Committee Charter. It will reassess the adequacy of this Committee Charter annually and may propose changes to the Board for approval. The Audit Committee will annually review its own performance and report the results to the Board.
- 6.2 In discharging its responsibilities, the Audit Committee may obtain advice and assistance from personnel of the Shareholders (or their respective affiliates) as is necessary or appropriate, and may ask members of management, advisors and other invitees, including executives of the Shareholders (or their respective affiliates), to attend meetings and participate in discussions. Any individual that is not a Director in attendance at a meeting will leave such meeting at the request of any Director for the purpose of allowing for confidential deliberations of the Audit Committee.



## **Article 7 Authority to Engage Advisors**

- 7.1 The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors and to conduct any investigation to enable it to carry out its duties. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Audit Committee, as well as funding for the payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
- 7.2 The Audit Committee shall be directly responsible for appointing or replacing the independent auditor (subject, if applicable, to shareholder ratification). The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- 7.3 The Audit Committee shall preapprove all auditing services, internal control-related services and permitted non-audit services (including the terms thereof) to be performed for the Company by its independent auditor. The Audit Committee shall review and discuss with the independent auditor any documentation supplied by the independent auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the auditor's independence.

## **Article 8 Delegation to Subcommittees**

- 8.1 The Audit Committee may form and delegate authority to subcommittees consisting entirely of members of the Audit Committee (and if applicable both (or neither) observers) when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Audit Committee for approval at its next scheduled meeting.



## Schedule 3 Human Resources Committee Charter

### Article 1 Responsibilities

- 1.1 The Committee is appointed by the Board to assist the Board in discharging its responsibilities relating to human resources policies and procedures, executive benefit plans and compensation.
- 1.2 The responsibilities of the Committee include:
- (a) reviewing, evaluating and making recommendations to the Board regarding compensation policies and establishing performance-based incentives that support long-term goals, objectives and interests of the Company;
  - (b) reviewing and making recommendations to the Board with respect to annual incentive-compensation and equity-based plans that are subject to Board approval;
  - (c) reviewing the compensation of and reimbursement policies for senior executives, and submitting proposals to the Board as regards the compensation of senior executives for ultimate decision by the Board;
  - (d) on an annual basis, reviewing and recommending to the full Board corporate goals and objectives relevant to the compensation of the CEO, CFO and senior executives, evaluating the performance of the CEO, CFO and senior employees in light of the goals and objectives, and recommending such compensation, based on a proposal by the Committee to the Board which shall, in any event, set forth: (i) the compensation structure and (ii) the amount of the fixed compensation, any shares and/or options to be granted and/or any other variable compensation components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application. In determining the incentive components of CEO, CFO and senior employees compensation, the Committee shall consider a number of factors, including the Company's performance and relative shareholder return, the value of similar incentive awards to CEO, CFO and senior employees at comparable companies and the awards given to the CEO, CFO and senior employees in past years;
  - (e) reviewing the peer group(s) and criteria for benchmarking, used to assess performance and compensation levels;
  - (f) providing oversight concerning selection of officers, management succession planning, indemnification and insurance matters, and separation packages.
- 1.3 The Committee shall perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board shall deem appropriate.



## **Article 2 Composition**

- 2.1 The Compensation Committee will consist of two (2) Directors elected by SGL and one (1) Director elected by Robusta provided that either SGL or Robusta may choose not to have its representative in the Committee. The Board shall appoint the Committee members.

## **Article 3 Chairperson**

- 3.1 The Board will appoint one (1) of the Committee members as chairperson of the Committee. The chairperson will be primarily responsible for the proper functioning of the Committee. He/she will act as the spokesman of the Committee and be the main contact for the Board's communication with the Committee. If the chairperson is not present at a meeting of the Committee, the Committee members present at such meeting shall designate one of its members as the acting chair of such meeting.

## **Article 4 Committee meetings**

- 4.1 The Committee will meet as often as it deems necessary to carry out its responsibilities and whenever the chairperson has requested a meeting, provided that the Committee holds at least four (4) meetings per year.
- 4.2 A majority of the members of the Committee shall constitute a quorum.
- 4.3 Committee meetings are generally held at the offices of the Company, but may also take place elsewhere at the discretion of the chairperson. In addition, Committee meetings may be held by teleconference or videoconference (or by any combination of these) provided that all participants can hear each other simultaneously.
- 4.4 Minutes of the meeting will be prepared by the secretary designated by the Committee. They will generally be adopted in the next meeting. If all members of the Committee agree on the contents of the minutes they may be adopted earlier. The minutes may be signed for adoption by the Chairperson.

## **Article 5 Committee resolutions**

- 5.1 Resolutions of Committee will be adopted by a simple majority of the votes cast. In a tie vote, the proposal will be deemed rejected.
- 5.2 Each member will have one vote. For the avoidance of doubt, a member representing one or more absent members of the Committee by written power of attorney will be entitled to cast the vote of each absent member for whom he holds a valid power of attorney.
- 5.3 The Committee may also adopt resolutions outside a meeting, provided that the relevant motion was submitted in writing to all of its members reasonably in advance and none of them has objected to this form of decision-making. The adoption of resolutions outside a meeting must be recorded in writing and signed by all Committee members.



## **Article 6 Organisation**

- 6.1 The Committee will regularly report to the Board, and will report each year with respect to the activities of the Committee and compliance with this Committee Charter. It will reassess the adequacy of this Committee Charter annually and may propose changes to the Board for approval.
- 6.2 In discharging its responsibilities, the Committee may obtain advice and assistance from personnel of the Shareholders (or their respective affiliates) as is necessary or appropriate, and may ask members of management, advisors and other invitees, including executives of the Shareholders (or their respective affiliates), to attend meetings and participate in discussions. Any individual that is not a Director in attendance at a meeting will leave such meeting at the request of any Director for the purpose of allowing for confidential deliberations of the Committee.

## **Article 7 Authority to Engage Advisors**

- 7.1 In discharging its responsibilities, the Committee will have the resources and authority to obtain advice and assistance from internal resources and external advisors or professionals it deems appropriate and to cover ordinary administrative costs.
- 7.2 The Committee may, in its sole discretion, retain or obtain the advice of an independent compensation consultant, independent legal counsel or other adviser, and shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management.

## **Article 8 Delegation to Subcommittees**

- 8.1 The Committee has the authority to delegate any of its responsibilities to subcommittees, consisting entirely of members of the Committee, provided that decisions of such subcommittee shall be presented for approval to the full Committee at its next scheduled meeting.



## **Schedule 4 Finance Committee Charter**

### **Article 1 The Committee's Purpose**

1. The purpose of the Committee is to monitor and oversee the Company's management of its financial resources.
2. The Committee reviews and provides guidance to the Board and management regarding major financial policies of the Company, oversees implementation of agreed financial strategies, and performs such other duties as directed by the Board.
3. The Committee shall not have oversight responsibility with respect to the Company's financial reporting, which is the responsibility of the Audit Committee of the Company.

### **Article 2 Constitution and Membership**

1. The Committee shall consist of two (2) members of the Board nominated by SGL and one (1) member nominated by Robusta, provided that either SGL or Robusta may choose not to have its representative on the Committee. The Board shall appoint the Committee members.
2. The Board shall appoint the Chairman of the Committee. In the absence of the Committee Chairman, the remaining members present shall elect one of their number present to chair the meeting.
3. The CFO of the Company shall act as the secretary of the Committee, unless the Committee decides otherwise. The Secretary shall keep appropriate records of all meetings of the Committee with appropriate minutes of proceedings and, after approval and signature by the Chairman of the Committee, shall submit them to all members of the Board.

### **Article 3 Responsibilities**

The Committee shall:

1. Review the Company's financial risk exposure and the steps management has taken and shall take to monitor and control such exposure.
2. Review and approve the Company's credit policies.
3. Review and approve the Company's cash management strategies.
4. Review the Company's pension fund investment strategies.
5. Review and approve the Company's insurance coverage and program.
6. Review and approve the Company's tax planning and compliance.
7. Review and approve significant international and domestic financial risk exposure issues, including hedging policies.
8. Review and make recommendations to the Board and management regarding financial forecasts, operating plans, maintenance budgets and capital budgets.
9. Review and make recommendations to the Board and management regarding plans to return excess capital to shareholders through dividends and share repurchase activity.



10. Review and make recommendations to the Board and management regarding proposed debt and equity programs.
11. Review and make recommendations to the Board and management regarding the terms of significant financing transactions.
12. Review and make recommendations to the Board and management regarding the Company's capital structure.
13. As appropriate, obtain advice and assistance of outside legal counsel or other advisors.

#### **Article 4 Meetings and Decisions**

1. The Committee shall meet at least three (3) times a year or more often if circumstances require and will report regularly to the Board with regard to any actions taken.
2. The Committee may invite to its meetings any director, senior manager of the Company or such other person as it deems appropriate to assist it in performing its responsibilities.
3. A meeting of the Committee may be called by any member of the Committee or by the Secretary.
4. Notice of each meeting of the Committee confirming the venue, time and date together with an agenda of items to be discussed and supporting papers were appropriate shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee and any other person required to attend not less than five days prior to the date of the meeting. The Committee may also meet by telephone or video conference.
5. The Committee Chairman or, in his absence, another member of the Committee, shall report to the Board on the matters considered and dealt with by the Committee.

#### **Article 5 Delegation to Subcommittees**

1. The Committee has the authority to delegate any of its responsibilities to subcommittees, consisting entirely of members of the Committee, provided that decisions of such subcommittee shall be presented for approval to the full Committee at its next scheduled meeting.