

# TERMS OF REFERENCE GOVERNANCE AND NOMINATION COMMITTEE

## RANDSTAD N.V.

Adopted by the Supervisory Board on 12 February 2018

### 0. INTRODUCTION

- 0.1 These terms of reference have been drawn up by the Supervisory Board pursuant to clause 5 of the By-Laws of the Supervisory Board and best practice provision 2.3.3 of the Dutch Corporate Governance Code, subject to any deviations provided for in the comply-or-explain statement of the Company.
- 0.2 The Governance and Nomination Committee is a standing committee of the Supervisory Board.
- 0.3 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the By-Laws of the Supervisory Board and the List of Definitions attached to those By-Laws as Annex 1 thereto.

### 1. COMPOSITION

- 1.1 The Governance and Nomination Committee shall consist of a minimum of three members. All members of the Governance and Nomination Committee must also be Supervisory Board members. More than half of the members of the Governance and Nomination Committee shall be independent within the meaning of clause 1.5 of the By-Laws of the Supervisory Board.<sup>1</sup>
- 1.2 The members of the Governance and Nomination Committee shall be appointed and may be replaced at any time by the Supervisory Board. The Chairman of the Supervisory Board is a member in his capacity as such. The Supervisory Board shall appoint one of the members of the Governance and Nomination Committee as chairman of the Governance and Nomination Committee.
- 1.3 The term of office of a member of the Governance and Nomination Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and that of other committees from time to time.
- 1.4 The Company Secretary shall act as secretary to the Governance and Nomination Committee. The Company Secretary may delegate his duties, or parts thereof, under these terms of reference, to a deputy appointed by him in consultation with the chairman of the Governance and Nomination Committee.

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision 2.3.4.

## 2. DUTIES AND POWERS

2.1 The Governance and Nomination Committee is within the Supervisory Board especially charged with corporate governance duties including the following:

- (a) to assess at least once a year the corporate governance of the Company as a whole;
- (b) to assess at least once a year the size and composition of the Supervisory Board and the Executive Board, and to make proposals for the Supervisory Board Profile;<sup>2</sup>
- (c) to assess at least once a year the functioning of individual Supervisory Board members and Executive Board members, and report their findings to the Supervisory Board;<sup>3</sup>
- (d) to ensure the functioning of the corporate governance (structure) of the Company, including its checks and balances, paying specific attention to the dynamics between the Executive Board and the Supervisory Board;
- (e) to ensure the supervision of the relations between the Company and the Shareholders;<sup>4</sup>
- (f) to ensure that the corporate governance (structure) of the Company as a whole is fully transparent and described in the Annual Report and to the General Meeting of Shareholders;<sup>5</sup>
- (g) if and when applicable, taking measures to manage the Company if the Executive Board is unable to perform its duties;<sup>6</sup>
- (h) to advise the Supervisory Board with respect to its organisation and modus operandi and any proposed changes to the By-Laws of the Supervisory Board, the terms of reference of the Supervisory Board committees and the By-Laws of the Executive Board.

2.2 The Governance and Nomination Committee is within the Supervisory Board especially charged with nomination duties including the following:

- (a) to draft selection criteria and appointment procedures for Supervisory Board members and Executive Board members;<sup>7</sup>
- (b) to draft a plan for the succession of Executive Board members and Supervisory Board members, that is aimed at retaining the balance in the requisite expertise, experience and diversity;<sup>8</sup>
- (c) to make proposals for (re)appointments;<sup>9</sup>

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<sup>2</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part ii.

<sup>3</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part iii.

<sup>4</sup> Dutch Corporate Governance Code; best practice provision 4.1.1.

<sup>5</sup> Dutch Corporate Governance Code; best practice provision 4.1.3 (vii).

<sup>6</sup> Section 2:134(4) Dutch Civil Code; article 12(2) Articles of Association.

<sup>7</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part i.

<sup>8</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part iv and best practice provision 2.2.4.

<sup>9</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part v.

- (d) to supervise the policy of the Executive Board on the selection criteria and appointment procedures for senior management, including the members of the Executive Board;<sup>10</sup>
  - (e) to prepare the decision-making process of the Supervisory Board on the acceptance by a member of the Executive Board of the membership of the supervisory board or of the position of non-executive director of a listed company; and
  - (f) to prepare the decision-making process of the Supervisory Board concerning any conflicts of interest that may arise in the acceptance by the Supervisory Board members of additional positions; and
  - (g) to render advice in the field of long-term succession planning for Executive Board members.
- 2.3 In the conduct of their duties referred to in clause 2.1, the Governance and Nomination Committee takes the diversity policy of the Company in consideration.
- 2.4 When exercising its duties regarding the composition of the Supervisory Board, the Governance and Nomination Committee shall observe the criteria on the composition of the Supervisory Board as laid down in clause 1 of the By-Laws of the Supervisory Board.
- 2.5 The Governance and Nomination Committee may only exercise such powers as are explicitly attributed to it by the Supervisory Board and may never exercise powers beyond those exercisable by the Supervisory Board as a whole.
- 2.6 The Governance and Nomination Committee may in exercising its duties seek the assistance or advice of one or more experts at a price agreed upon with the Supervisory Board.

### **3. MEETINGS**

- 3.1 The Governance and Nomination Committee shall meet as often as required for a proper functioning of the Governance and Nomination Committee. The Governance and Nomination Committee shall meet at least twice a year. The meetings are, as much as possible, scheduled annually in advance. The Governance and Nomination Committee shall meet earlier if this is deemed necessary by the chairman or any other member of the Governance and Nomination Committee.
- 3.2 Meetings of the Governance and Nomination Committee are in principle called by the Company Secretary on behalf of the chairman of the Governance and Nomination Committee. Save in urgent cases, to be determined by the chairman of the Governance and Nomination Committee, the agenda and enclosures for the meeting shall be sent well in advance of the meeting to all members of the Governance and Nomination Committee. For each item on the agenda an explanation will be provided, where possible, and/or other related documents will be attached.
- 3.3 The Governance and Nomination Committee shall decide if and when the CEO should attend its meetings. Each member of the Supervisory Board may attend meetings of the Governance and Nomination Committee.

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<sup>10</sup> Dutch Corporate Governance Code, best practice provision 2.2.5, part vi.

- 3.4 Each member of the Governance and Nomination Committee has the right to cast one vote. All resolutions must be adopted by an absolute majority of the votes cast. If there is a tie in voting, the chairman of the Governance and Nomination Committee shall have a casting vote.
- 3.5 The Company Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Governance and Nomination Committee.
- 3.6 The Governance and Nomination Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

#### **4. REPORTING TO THE SUPERVISORY BOARD**

- 4.1 The Governance and Nomination Committee must inform the Supervisory Board in a clear and timely manner about the way it has used its powers and of major developments in the area of its responsibilities.
- 4.2 The Supervisory Board shall receive from the Governance and Nomination Committee a report of its deliberations and findings.<sup>11</sup> The reports of the meetings of the Governance and Nomination Committee shall be circulated as soon as possible after the meeting among all Supervisory Board members.
- 4.3 If requested, the chairman of the Governance and Nomination Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Governance and Nomination Committee.
- 4.4 Every Supervisory Board member shall have unrestricted access to all records of the Governance and Nomination Committee.

#### **5. MISCELLANEOUS**

- 5.1 The chairman of the Governance and Nomination Committee (or one of the other Governance and Nomination Committee members) shall be available to answer questions regarding the Governance and Nomination Committee's activities at the annual General Meeting of Shareholders.
- 5.2 The Supervisory Board may occasionally decide at its sole discretion not to comply with these terms of reference, subject to applicable law and regulations.
- 5.3 The Governance and Nomination Committee shall review and reassess the adequacy of these terms of reference annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.
- 5.4 The Supervisory Board can at all times amend these terms of reference and/or revoke any powers granted by it to the Governance and Nomination Committee.
- 5.5 Clauses 24.4 to 24.7 inclusive of the By-Laws of the Supervisory Board shall apply by analogy to the Governance and Nomination Committee, while the power of the Supervisory Board or the Chairman referred to in these clauses shall for the application of these terms of reference be considered a power of the Governance and Nomination Committee or the chairman of the Nomination Committee.

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<sup>11</sup> Dutch Corporate Governance Code, best practice provision 2.3.5.

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