

BOARD TERMS OF REFERENCE

Dated 1 December 2025

The Magnum Ice Cream Company N.V.

Table of Contents

Contents	Page
1 INTRODUCTION.....	1
2 RESPONSIBILITIES AND TASKS	1
3 BOARD COMPOSITION	6
4 MEETINGS OF THE BOARD AND DECISION-MAKING	7
5 DIRECTORS	9
6 CHAIR AND VICE-CHAIR	11
7 CEO AND CFO	13
8 NON-EXECUTIVE DIRECTORS	19
9 COMMITTEES	20
10 CHIEF LEGAL OFFICER AND COMPANY SECRETARY	20
11 CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS	21
12 REMUNERATION	23
13 CHIEF AUDITOR	24
14 EXTERNAL AUDITOR.....	24
15 DIRECTORS' INDUCTION AND TRAINING	25
16 BOARD'S EVALUATION	26
17 MISCONDUCT AND IRREGULARITIES.....	27
18 MISCELLANEOUS	28
Annex 1 Definitions and interpretations	29

1 INTRODUCTION

- 1.1** These Board Terms of Reference have been adopted by the Board on [1 December] 2025.
- 1.2** These Board Terms of Reference are complementary to the provisions applicable to the Board and the Directors pursuant to the laws of the Netherlands, the Articles of Association and the applicable regulations pursuant to the listing of the Shares on Euronext Amsterdam, the London Stock Exchange (on the FCA's Equity Shares (Commercial Companies) Category) and the New York Stock Exchange.
- 1.3** These Board Terms of Reference shall be reviewed periodically by the Board and shall be amended by the Board, if required.
- 1.4** These Board Terms of Reference shall be posted on the Company's website.
- 1.5** The meaning of certain capitalised or uncapitalised terms used in these Board Terms of Reference is set forth in the list of definitions attached as Annex 1.

2 RESPONSIBILITIES AND TASKS

Responsibilities of the Board

- 2.1** The Board is entrusted with the management of the Company and the business connected with it and is responsible for the overall conduct of the Group. The responsibility for the management of the Company is vested in the Board collectively.
- 2.2** The Board has the powers, authorities and duties vested in it pursuant to the relevant laws of the Netherlands, these Board Terms of Reference and the Articles of Association.
- 2.3** In all their dealings, the Board (and each Director) has regard to the interests of the Group as a whole, including its stakeholders such as its Shareholders, employees, consumers and suppliers, together with the Group's social and legal responsibilities in the communities in which it operates and to the environment. These interests are, among other things, represented by formulating and pursuing a policy aimed at sustainable long-term value creation. The Board shall give a more detailed explanation of its views on sustainable long-term value creation and its strategy for the realisation of sustainable long-term value creation in the Management Report.
- 2.4** The Board has the final responsibility for the management, general affairs, direction, performance and long-term success of the Group, as well as for the effective engagement with the Group's stakeholders.
- 2.5** The identification and management of risks is fundamental to the Group's strategy and to achieving its long-term goals. The Board has overall responsibility for the identification and management of risks and for reviewing the effectiveness of the system of internal control and risk management approach. The Board shall identify and analyse the risks associated with the strategy and activities of the Company and the business connected with it. The Board shall also establish the risk appetite and shall decide what measures are taken to counter the risks.

Collective responsibilities

- 2.6** As members of the Board, all Directors are required to:

- (i) contribute in setting the Group's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives, and reviewing the management performance;
- (ii) provide leadership of the Group within a framework of prudent and effective controls, which enable risk to be assessed and managed; and
- (iii) maintain the Group's values and standards as outlined in the Code of Business Integrity Principles and ensure that its obligations to the Shareholders and others are understood and met.

2.7 All Directors are responsible for the proper fulfilment of the Board's duties and obligations. As part of their role as members of a one-tier board, Non-Executive Directors shall constructively challenge and help formulating a strategy for realising sustainable long-term value creation. The Non-Executives shall supervise the manner in which the Executive Leadership Team and the Executive Directors implement the sustainable long-term value creation strategy. They shall further regularly discuss the strategy, the implementation thereof and the principal risks associated with it.

2.8 All Directors should see to it that they are informed on a timely basis and in sufficient detail about all important matters relating to the Company and the functioning of the Board. The CEO has a particular responsibility to ensure that the Chair timely receives clear information (in particular, about the Company's performance). The Chair is required to ensure that all Directors have the information they need to take sound decisions, monitor effectively and provide advice to promote the success of the Company.

Specific responsibilities individual Directors

2.9 The responsibility for the operational management of the Company and the business connected with it lies with the Executive Directors under the final and ultimate responsibility of the Board as a whole.

2.10 In their capacity as Directors, the Non-Executive Directors supervise the functioning of management, the Executive Directors and the general course of affairs of the Company and the business connected with it.

Division of duties

2.11 The Board may, from time to time, with due observance of applicable law and considering the provisions of the Dutch Corporate Governance Code and the UK Corporate Governance Code, delegate such tasks and responsibilities and/or decision-making authority to one or more Committees or to one or more Directors, as the Board considers appropriate.

2.12 Committees and Directors to whom decision-making authority has been delegated as set out in clause 2.11 can validly pass resolutions in respect of the matters which fall under their tasks and responsibilities and any such resolution shall be considered to be a resolution of the Board.

2.13 Each Director is responsible for the general course of affairs of the Company and the business connected with it.

2.14 The Executive Directors are charged with the daily management of the business connected with the Company.

2.15 The Non-Executive Directors are charged with the supervision of the performance of duties by the Executive Directors and the general course of affairs of management, the Company

and the business connected with it. They will also be charged with the duties assigned to them pursuant to the Articles of Association, these Board Terms of Reference or a resolution of the Board.

2.16 The Board has delegated, but not to the exclusion of the Board's powers, authorities and discretions, the following duties:

- (i) to the CEO: all its powers, authorities and discretions, including decision-making power which relate to the operational running of the Group and the matters set out in clause 7.2; and
- (ii) to the CEO and the CFO acting jointly: all its powers, authorities and discretions, including decision-making power which relate to the matters set out in clause 7.3.

2.17 The Board supervises the execution of the responsibilities by the CEO and the CFO and is ultimately responsible for the fulfilment of the Board's duties by each of them.

2.18 Each Director may request that any matter be discussed by the Board.

Representation towards third parties

2.19 The Board shall be authorised to represent the Company. Two Executive Directors acting jointly shall also be authorised to represent the Company.

2.20 The CEO, acting individually, shall also be authorised to represent the Company.

Board exclusive duties

2.21 The powers, authorities and discretions of the Board, that have not currently been delegated pursuant to clauses 2.11 through 2.18, remain exclusively within the remit of the Board, include making or approving the following:

Structural and constitutional matters

2.21.1 Any proposal to the General Meeting to amend the Articles of Association, to change the Company's corporate form, to effectuate a statutory merger or statutory demerger to which the Company is a party, or to dissolve the Company.

2.21.2 Any proposal to the General Meeting to issue Shares or grant rights to subscribe for Shares, as well as to limit or exclude pre-emptive rights, or, as applicable, to propose to the General Meeting to designate the Board as the body of the Company authorised to issue Shares or grant rights to subscribe for Shares, as well as to limit or exclude pre-emptive rights or, if allowed, withdraw such designation.

2.21.3 Any proposal to the General Meeting to authorise the Board to acquire own Shares or depositary receipts thereof.

2.21.4 Any proposal to the General Meeting to reduce the Company's issued capital by cancellation of Shares held by the Company or for which the Company holds the depositary receipts, or by reducing the nominal value of Shares.

2.21.5 Any approval of the Board regarding the cooperation of the Company in the issuance of depositary receipts for Shares.

2.21.6 Any changes to the Company's listing or its status as a Dutch incorporated company or the market on which its securities are traded.

Governance

- 2.21.7 The convening of a General Meeting and the setting of the agenda thereof, and generally ensuring that a satisfactory dialogue with Shareholders takes place.
- 2.21.8 The Annual Accounts for adoption by the General Meeting and the Management Report and other (interim) financial statements.
- 2.21.9 Nominations for appointments to the Board, including succession planning and the appointment of the Chair and Vice-Chair.
- 2.21.10 Proposals to the General Meeting to adopt the Board remuneration policy.
- 2.21.11 The establishment of remuneration and other terms of service for Executive Directors, within the authority set by the remuneration policy adopted by the Board.
- 2.21.12 Any proposal to the General Meeting to approve remuneration of Executive Directors in the form of Shares or rights to subscribe for Shares.
- 2.21.13 The review of the functioning of the Board and any Committees.
- 2.21.14 The appointment or removal of the Company Secretary.
- 2.21.15 The endorsement or amendment of the Code of Business Integrity Principles.
- 2.21.16 Matters in which a Director has a direct or indirect personal interest therein that conflicts with the interests of the Company or the business connected with it.
- 2.21.17 Conflicts of interest involving Directors or holders of 10% or more of the share capital in the Company.
- 2.21.18 Overall responsibility for compliance with all relevant legislation and regulations.

Dividends

- 2.21.19 The allocation of (part of) the profits accrued in a financial year to the Company's reserves or the allocation of losses.
- 2.21.20 Any proposal to the General Meeting to make a distribution of profits.
- 2.21.21 The declaration of any interim distributions of profits or other distributions.

Strategy and managing the corporate portfolio

- 2.21.22 The strategies for the shaping of the portfolio and direction of the Group and priorities in corporate resource allocation.
- 2.21.23 The annual results announcement, the half yearly results announcement and any quarterly business performance reports of the Company so that, taken as a whole, they are fair, balanced and understandable.
- 2.21.24 The Group's entry by means of direct investment into or exit from any country.

Mergers, acquisitions, joint-ventures and disposals

- 2.21.25 Any merger, acquisition, or joint venture where the value of consideration paid, or of the assets contributed by the Group, exceeds EUR250 million, and any disposal that exceeds EUR150 million and where the value of consideration received, or of the assets contributed by other third parties exceeds EUR100 million.

Restructuring projects

- 2.21.26 Any restructuring project, where the total value of spend exceeds EUR50 million.

Capital expenditure and real estate lease agreements

2.21.27 Any capital expenditure project or a real estate lease agreement, which has a value exceeding EUR75 million.

Contracts

2.21.28 Any agreement or contract for goods or services, which has a value exceeding EUR500 million or which exceeds seven years in duration and has a value exceeding EUR150 million.

Litigation

2.21.29 The initiation or settlement of any litigation or claim (excluding those in relation to tax audit and tax litigation settlements) with a value in excess of EUR40 million, and tax audit and tax litigation settlements with a value in excess of EUR25 million.

Financial

2.21.30 Any single short-term borrowing (i.e., with a maturity of up to one year), in each case where the value exceeds EUR2,000 million.

2.21.31 Any single long-term borrowing, in each case with a maturity of more than one year, where the value exceeds EUR750 million (and for this purpose, any issue of debt instruments (and any tranche thereof) whether or not made under a debt issuance programme, shall qualify as a single borrowing).

2.21.32 Any interest rate derivative, swap and unwinding of swap agreements, for each agreement with a value that exceeds EUR500 million.

2.21.33 Repurchasing of the Company's shares.

2.21.34 The granting of security (not being a guarantee) of any nature over the assets of any Group company, where the value exceeds EUR100 million per country at any time.

2.21.35 The giving by the Company of (and the approval of the terms of) any other guarantees and letters of comfort in excess of EUR100 million.

2.21.36 Counterparty exposures (i.e. credit risk with a financial institution), for each institution where the exposure value exceeds EUR250 million.

2.21.37 Approving policies in respect of the hedging of net instrument exposures or any other financial derivative exposure.

2.21.38 Net investment hedges where the value of the hedge exceeds EUR500 million.

2.21.39 Unhedged foreign currency balances (i.e. third party and internal funding, deposits, transactions in non-functional currencies not hedged to functional currency), where the value of the unhedged balance exceed EUR100 million.

2.21.40 Intra-group dividend declarations, capital reduction and loans exceeding EUR500 million.

2.21.41 Intra-group transfer of shares or assets, and any other intra-group reorganisation exceeding EUR500 million.

2.21.42 Capital injections to the Group entities, where the value exceeds EUR200 million.

2.21.43 Third party costs arising from capital injections into Group companies, capital reductions of Group companies, transfers of shares or assets or mergers within the Group (e.g., tax, stamp duty and fees), in each case where the costs are EUR50 million or more.

- 2.21.44** Consulting costs, for each project (excluding those related to R&D and M&A) where the cost exceeds EUR50 million, and for each R&D and M&A project where the cost exceeds EUR20 million.

Pensions

- 2.21.45** Any agreements with pension funds on contributions to correct deficits (as measured under IFRS or local funding, as applicable), which have an aggregate value, over the period of the agreement, exceeding EUR50 million.
- 2.21.46** Any changes to benefits provided under the Group's pension (and similar) arrangements which increase the value of the liabilities (as measured under IFRS) by more than EUR10 million.

Access to independent professional advice

- 2.22** Directors, both individually and jointly, are entitled to take independent professional advice, at the expense of the Group, on matters relating to the proper discharge of their office. This does not extend to issues regarding their personal interests. The Chief Legal Officer will arrange for advice to be obtained.

Confidentiality

- 2.23** Each Director must treat all information and documentation obtained in connection with such person's position as Director with the necessary discretion, integrity and confidentiality.

3 BOARD COMPOSITION

- 3.1** The Board is a one-tier board, comprised of one or more Executive Directors and three or more Non-Executive Directors. The Board shall determine the number of Executive Directors and Non-Executive Directors, with due observance of this clause 3.1.
- 3.2** Only individuals can be Directors.
- 3.3** The composition of the Board must be such to enable the Directors to discharge their responsibilities and provide effective leadership to the Group. Directors are chosen for their ability to contribute to the governance and strategic development of the Group.

Profile

- 3.4** The Non-Executive Directors shall prepare a profile of the Board's size and composition, taking account of the nature and activities of the Company's business. The profile shall be published on the Company's website.

Board Composition Standards

- 3.5** The Board shall adopt board composition standards in accordance with the laws and regulations of the Netherlands, the UK and the US, including but not limited to the Dutch Civil Code, the DCGC, the UKCGC and the UK Listing Rules.
- 3.6** The Non-Executive Directors shall prepare composition standards for the Board and the Executive Leadership Team, which shall include the specific targets regarding aspects relevant to the Company ("**Board Composition Standards**"). The Board Composition Standards and their implementation shall be explained in the corporate governance statement in the Management Report. If the composition of the Board and the Executive Leadership Team does not comply with the targets as set out in the Board Composition Standards, an explanation shall be added in the corporate governance statement on which

measures are being taken to comply with the targets and when the Company is expected to achieve them.

Succession plan

- 3.7** The Non-Executive Directors shall ensure that the Company has an adequate plan for the succession of Directors, aimed at maintaining the required balance of expertise and experience and taking account of the profile referred to under clause 3.4. The Board shall draw up a retirement schedule, which shall be published on the Company's website.

4 MEETINGS OF THE BOARD AND DECISION-MAKING

Board meetings and location

- 4.1** The Board meets on such dates each year as it determines.
- 4.2** With due observance of these Board Terms of Reference, each Director has the right to request that a meeting of the Board be called.
- 4.3** Meetings are convened in a timely manner by the Chair. If the Chair position is vacant or the Chair is unable to act, the Vice-Chair may convene a meeting.
- 4.4** There should be a minimum of four meetings throughout the calendar year. These include meetings to consider the half-year and full year results statements of the Group as well as Group strategic issues.
- 4.5** Meetings of the Board may be held in such location as the Board thinks fit, provided that tax residency considerations are taken into account.
- 4.6** Meetings of the Board may also be held by conference call, video conference or by any other means of communication, provided that all Directors participating in such meeting are able to communicate with each other simultaneously. Participation in a meeting held in any of the above ways shall constitute presence at such meeting.
- 4.7** The meetings of the Board shall be held in the English language.

Agenda

- 4.8** The agenda for Board meetings are set by the Chair in consultation with the CEO. If the meeting is convened by the Vice-Chair in accordance with clause 4.3, the Vice-Chair sets the agenda in consultation with the CEO. The agenda must enable the Board to discharge their responsibility for the strategy, management, direction and performance of the Group.
- 4.9** The agenda of each of the meetings of the Board includes (but is not limited to):
- (i) regular items, such as reports by the CEO, or such other member of the Executive Leadership Team as the CEO may nominate on the exercise of the Delegated Powers, on the financial affairs of the Group and on the Group performance;
 - (ii) special items, such as business reviews; and
 - (iii) items for approval and noting, and papers for information.
- 4.10** Each Director has the right to request the Chair that an item is placed on the agenda.

Attendance

- 4.11** At a meeting of the Board:

- (i) each Executive Director may be represented by another Executive Director holding a written proxy; and
- (ii) each Non-Executive Director may be represented by another Non-Executive Director holding a written proxy.

4.12 The External Auditor shall attend the Board meeting at which the external auditor's report on the audit of the financial statements is discussed.

4.13 The Directors present at the Board meeting shall decide on the admittance of persons other than the Directors and the External Auditor, by a majority of the votes cast.

Chair of the Board meeting

4.14 The Chair shall chair any meeting of the Board. If the Chair is absent or unable to take the chair, the Vice-Chair chairs the meeting. If both the Chair and the Vice-Chair are not present at a meeting and the Chair has not appointed another Non-Executive Director as chair of that meeting, the Directors present at the meeting will appoint one of the other Non-Executive Directors as chair of that meeting.

Adoption of resolutions

4.15 Resolutions by the Board relating to the following matters are passed by a majority of the votes cast, including the affirmative vote of the majority of the Non-Executive Directors present or represented and entitled to vote, in a meeting where the majority of the Non-Executive Directors entitled to vote is present or represented:

- (i) approval of the appointment or dismissal of the Chief Auditor;
- (ii) approval of the internal audit plan;
- (iii) approval of the appointment or dismissal of the Chief Legal Officer;
- (iv) approval of acceptance of other director positions by the Directors;
- (v) approval of decisions (a) on a subject where a Director has a conflict of interest; or (b) to enter into a transaction between the Company and a legal entity or natural person holding at least ten (10) per cent. of the Shares;
- (vi) designating a Non-Executive Director that is to serve as Vice-Chair;
- (vii) approving the Company's remuneration policy for submission to the General Meeting;
- (viii) adopting or amending the terms of reference governing a Committee;
- (ix) appointing or dismissing the members of a Committee;
- (x) nominating the External Auditor for appointment to the General Meeting; and
- (xi) determining whether a Director has a conflict of interest.

4.16 Resolutions by the Board other than as included in clause 4.15 are passed by a majority of the votes cast, in a meeting where the majority of the Directors are present or represented and entitled to vote, including at least one Executive Director present or represented and entitled to vote, unless no Executive Director is in office. In the event of an emergency, the Chair and CEO may agree to a lower quorum of three Directors, including at least one Executive Director and one Non-Executive Director other than the Chair.

- 4.17** Each Director shall have one vote.

Board meeting minutes

- 4.18** The Company Secretary or any other person designated by the Chief Legal Officer as the meeting secretary prepares the meeting minutes. The minutes are adopted by a resolution adopted at a subsequent Board meeting or by the Chair or CEO, after having consulted the Directors present or represented at that meeting.

Adopting resolutions without holding a meeting

- 4.19** The Board may adopt resolutions without holding a meeting, provided that all Directors entitled to vote have consented to adopting the resolutions without holding a meeting.
- 4.20** With due observance of clause 4.19, written resolutions of the Board and any sub-committee of the Board formed from time to time may be adopted by more than half of the Directors in office entitled to vote voting in favour of the proposed resolutions and with the wet-ink or electronic signatures of the Directors, provided that any resolutions as referred to in clause 4.15 that are proposed to be adopted in writing shall require the qualified majority as set out therein.
- 4.21** With due observance of clause 4.19, resolutions can also be adopted by the Directors in writing (including by email and other reproducible electronic communication) and a written resolution can consist of a combination of written and electronic signatures of the Directors.

Evidence of adopted resolutions

- 4.22** Third parties may rely on a written statement by the Chair or the Company Secretary regarding resolutions adopted by the Board or a Committee. In the latter case, third parties may further rely on a written statement by the chair of such Committee.

Support

- 4.23** The Company Secretary and/or any persons designated by the Chief Legal Officer are responsible for collating and distributing all papers to be submitted to the Board for consideration and for organising Board meetings. The Company Secretary shall procure the taking and circulation of Board meeting minutes.

5 DIRECTORS

Appointment and (annual) re-election

- 5.1** Directors are appointed by the General Meeting on a binding nomination by the Board. The binding nomination of the Board shall include whether a person is nominated for appointment as Executive Director or Non-Executive Director.
- 5.2** If a seat of a Director is vacant or upon the Inability of a Director, the Board may designate a temporary replacement. A temporary replacement shall serve until the earlier of the moment on which the seat in the Board for which that person serves as temporary replacement is again occupied by a Director able to act and the end of the first annual General Meeting following their designation.
- 5.3** Directors shall be appointed for a term that ultimately ends at the end of the annual General Meeting held in the financial year following the calendar year of such Director's appointment, unless the Board decides to make a binding nomination for a longer term which ultimately ends at the end of the annual General Meeting held in the fourth financial year following the calendar year, of such Director's appointment. For as long as Shares or depositary receipts

thereof are admitted to trading on the Equity Shares (Commercial Companies) Category of the FCA Official List, Directors shall only be appointed for a term that ultimately ends at the end of the annual General Meeting held in the financial year following the calendar year of such Director's appointment. In each case, in no instance shall the term of appointment of a Director end for as long as such resignation would result in no Directors being in office.

- 5.4** Directors are eligible for immediate reappointment, subject to the provisions of the Articles of Association and this clause 5 and provided that no Non-Executive Director can be reappointed for a term that would continue after the end of the first annual General Meeting held after nine (9) years from the date of their first appointment have lapsed.

- 5.5** The Board may grant titles to Directors. A Director can have more than one title.

Limitations

- 5.6** Directors hold office for as long as they are appointed as such by the General Meeting, unless they resign or are dismissed by the General Meeting or the competent Dutch court.

- 5.7** Executive Directors serve in accordance with the terms of their service contracts with the Company.

Independence

- 5.8** Non-Executive Directors are expected to provide the Group with independent character and judgement.

- 5.9** Non-Executive Directors are judged by the Board for their independence in the light of criteria laid down in the Dutch Corporate Governance Code, the UK Corporate Governance Code and the New York Stock Exchange Rules. The Board will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned.

Positions outside the Company

- 5.10** All Directors must be able to allocate sufficient time to perform their responsibilities effectively.

- 5.11** To ensure that outside positions of the Executive Directors do not involve an excessive commitment or a conflict of interest:

- (i) the number of outside directorships of listed companies is generally limited to one per Executive Director;
- (ii) Executive Directors must inform the Chair prior to accepting a position outside the Company; and
- (iii) approval for any outside directorship, including any position as a supervisory or non-executive director, is required from the Board.

- 5.12** Non-Executive Directors must inform the Chair (and in case of the Chair, the Chair must inform the Vice-Chair) and Company Secretary prior to accepting a position outside the Company.

- 5.13** Positions of Directors outside the Company are discussed at a Board meeting at least annually.

6 CHAIR AND VICE-CHAIR

Designation

- 6.1** The Board may designate a Chair and a Vice-Chair from amongst the Non-Executive Directors for such period as the Board may determine.
- 6.2** The Chair shall not be a former Executive Director, and shall be independent in accordance with clause 5.9.
- 6.3** The Vice-Chair shall be independent in accordance with clause 5.9.

Responsibilities of the Chair

- 6.4** The Chair is primarily responsible for:
- (i) leading the Board and ensuring that the Board operates effectively in relation to all aspects of its role;
 - (ii) ensuring that Directors receive timely, accurate and clear information, in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company;
 - (iii) encouraging active engagement by all the members of the Board;
 - (iv) in consultation with the CEO, setting and approving the Board's agenda to take full account of the issues and the concerns of all Directors, and ensuring that adequate time is available for discussion on strategic issues;
 - (v) promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and Executive Directors;
 - (vi) building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board approval and appointment by the General Meeting, where so required;
 - (vii) monitoring effective implementation of Board decisions;
 - (viii) ensuring clear structure for and the effective running of Committees;
 - (ix) together with the CEO, and facilitated by the Company Secretary, maintaining effective communication with major Shareholders, so as to ensure that the Board develops an understanding of their views;
 - (x) together with the Company Secretary, taking the lead in providing a properly constructed induction programme for new Directors that is comprehensive, formal and tailored;
 - (xi) taking the lead in identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised approach to training and development with each Director;
 - (xii) addressing the development needs of the Board as a whole with a view to enhancing their overall effectiveness as a team;
 - (xiii) ensuring that the performance of individuals and of the Board as a whole and their Committees is evaluated at least once a year and facilitated, once every three years, by a third party consultant;

- (xiv) establishing a close relationship of trust with the CEO, by providing support and advice while respecting executive responsibility;
- (xv) acting where appropriate as the Group's representative on corporate aims and policies, including environmental and corporate social responsibility matters;
- (xvi) guarding the corporate reputation, including, together with the CEO, relations with major Shareholders, government, academia and other relevant stakeholders and commentators;
- (xvii) being a member of any Committee (subject to applicable corporate governance codes);
- (xviii) approving any outside directorship, including any position as a supervisory or non-executive director, that an Executive Director proposes to take up;
- (xix) receiving direct reports from the Company Secretary;
- (xx) ensuring that the Board designates a Non-Executive Director as Vice-Chair;
- (xxi) presiding (annual) General Meetings and ensuring that the General Meeting proceeds in an orderly and efficient manner;
- (xxii) ensuring that the Board has proper interaction with Shareholders at General Meetings;
- (xxiii) ensuring that the Board has proper interaction with the employee participation bodies of the Group;
- (xxiv) ensuring that there is sufficient time for deliberation and decision-making by the Board;
- (xxv) ensuring that the Directors follow their induction, education or training programme;
- (xxvi) ensuring that the Board performs activities in respect of creating a culture aimed at sustainable long-term value creation of the Company and the business connected with it;
- (xxvii) ensuring that signals from the business are recognised by, and that any actual or suspected material misconduct and irregularities are reported to, the Board without delay;
- (xxviii) ensuring that effective engagement with stakeholders can take place; and
- (xxix) ensuring that the Board is involved closely at an early stage in any merger or takeover process.

6.5 The Chair acts on behalf of the Board as the main contact for individual Directors and for Shareholders regarding the performance of Directors. The Chair should hold meetings with the Non-Executive Directors without the Executive Directors present.

Responsibilities of the Vice-Chair

6.6 The Vice-Chair is primarily responsible for:

- (i) providing a sounding board for the Chair;
- (ii) acting as a contact for individual Directors regarding the functioning of the Chair;

- (iii) at least annually (and on other occasions as necessary), meeting with the other Non-Executive Directors without the Chair present to appraise the Chair's performance;
- (iv) serving as an intermediary for the other Directors when necessary;
- (v) participating in the selection and appointment committee's process for considering successions to the role of Chair;
- (vi) participating in the process of Director induction and training;
- (vii) participating in the Board's evaluation process;
- (viii) being available to Shareholders if they have concerns, which the normal channels of the Chair or Executive Directors have failed to resolve or for which such normal channels are inappropriate; and
- (ix) attending meetings with a range of major Shareholders and financial analysts, in order to help develop a balanced understanding of their issues and concerns.

6.7 If the Chair is absent or unable to take the chair, the Vice-Chair shall be entrusted with the duties of the Chair entrusted to the Chair by the Articles of Association, these Board Terms of Reference or otherwise.

7 CEO AND CFO

Designation

7.1 The Board designates a CEO and a CFO from amongst the Executive Directors for such period as the Board may determine.

Responsibilities of the CEO

7.2 In each case subject to the exclusive duties of the Board referred to in clause 2.21, the Board has delegated all powers, authorities and discretions relating to the operational running of the Group and specifically those matters set out in clauses 7.2.1 through 7.2.28 to the CEO, including the power to sub-delegate any of those powers, authorities and discretions.

Management

7.2.1 Ensuring delivery of the Group's agreed strategy, business plans and financial performance, including:

- (i) profit responsibility of the Group; and
- (ii) managing business performance.

Portfolio

7.2.2 Proposing for approval by the Board following consultation with the Chair, the strategies for the shaping of the portfolio and direction of the Group and priorities in corporate resource allocation.

7.2.3 Implementing and monitoring strategies and annual plans, agreeing geographical and product markets for divisional activities and places of operation, and ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board.

7.2.4 Monitoring the development of the global and regional markets in which the Group operates, testing future economic scenarios against growth objectives and making proposals to the Board for the corporate strategic priorities in the light of these.

- 7.2.5 Preparing for approval by the Board periodic business performance reports, including quarterly and annual results announcements.

Intellectual Property

- 7.2.6 The power to sub-delegate any of those powers, authorities and discretions related to the trademark and technology rights held by the Company to relevant subsidiaries of the Group.

Contracts

- 7.2.7 Any agreement or contract for goods or services (other than land and property agreements), which:
- (i) is of seven years or less in duration and has a value not exceeding EUR500 million; or
 - (ii) is more than seven years in duration and not exceeding EUR150 million in value.

Litigation

- 7.2.8 Initiation or settlement of any litigation or claim (excluding those in relation to tax audit and tax litigation settlements) with an estimated value not in excess of EUR40 million.

Financial

- 7.2.9 Any single short-term borrowing (i.e., with a maturity of up to one year), in each case where the value does not exceed EUR2,000 million.
- 7.2.10 Consulting costs, for each R&D and M&A project where the cost does not exceed EUR20 million.
- 7.2.11 Sustainability partnership agreements, for each agreement where the cost exceeds EUR10 million.

Human Resources

- 7.2.12 Appointing and removing all managers, including members of the Executive Leadership Team who report directly or indirectly to the CEO, with the exception of the appointment and removal of the (i) Executive Directors, which shall be appointed in accordance with clause 5.1, and (ii) members of the Executive Leadership Team, the Chief Legal Officer and the Chief Auditor, which requires the approval of the Board.
- 7.2.13 Proposing to the Board remuneration committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of members of the Executive Leadership Team who report directly to the CEO, excluding those members of the Executive Leadership Team who are also Executive Directors.
- 7.2.14 Supervising and determining the roles, activities and responsibilities of the Executive Leadership Team.
- 7.2.15 Approving the appointment, removal, remuneration, bonuses and other terms of employment of the senior managers not dealt with by the Board or the remuneration committee.
- 7.2.16 Ensuring that the performance of members of the Executive Leadership Team is systematically assessed and adequately rewarded.

- 7.2.17** Ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Group.
- 7.2.18** Monitoring staff development and recruitment and dealing with deviations from planned performance. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Integrity Principles and Code Policies.
- 7.2.19** Exercising powers (with the power to sub-delegate) granted by the Board under any existing or future executive or all employee share-based incentive plan of the Company, including powers:
- (i) to determine the treatment of leavers (except members of the Executive Leadership Team) within the discretion of the Board under any such executive or all employee share-based incentive plan;
 - (ii) to purchase Shares to meet obligations under any executive or all employee share-based incentive plan;
 - (iii) to operate any executive or all employee share-based incentive plan;
 - (iv) to establish and operate (share based) incentive sub-plans, to set and agree performance targets and to determine the actual performance against these targets upon vesting, including any particular vesting condition, clawback (consistent with standard policy of the Group) or other discretionary element, and to do all these things with regard to incentive sub-plans for pioneering frontiers of the business under the condition that such sub-plans are not open to members of the Executive Leadership Team; and
 - (v) to make arrangements for the administration of any executive or all employee share-based incentive plan, including powers to set-up, register, operate and approve the design and actual terms of any sub-plan under, or deviations from, any executive or all employee share-based incentive plan, to allow Group companies and/or employees to benefit from favourable tax and/or social security regimes and/or to allow awards to be made in countries with onerous securities and/or other regulations that make it difficult to implement any executive or all employee share-based incentive plan, and to do everything necessary to give effect to the grant of awards under such sub-plans.

Pensions

- 7.2.20** The establishment and maintenance of appropriate pension policies covering:
- (i) the design of benefit arrangements, including specific provisions for the treatment of employees on the acquisition or disposal of businesses;
 - (ii) the selection of financing mechanisms, funding methods and accounting procedures; and
 - (iii) pension fund investment practices, including:
 - (a) investment objectives, strategy and allocation;
 - (b) limits on the Group's related investment of pension fund assets;
 - (c) investment management and custody services;
 - (d) internal investment management; and

- (e) controls on the use of derivatives and other investments.

7.2.21 All necessary approval procedures relating to the matters listed in clause 7.2.20.

7.2.22 Any and all other commitments, agreements, contracts, instruments or other documents of whatsoever nature, including without limitation in each case deeds with pension funds or other parties in relation to:

- (i) changes in the level of normal contributions following an actuarial valuation;
- (ii) contributions to correct deficits (as measured under IFRS or local funding as applicable), which have an aggregate value, over the period of the agreement, not exceeding EUR50 million; or
- (iii) changes to benefits provided under the Group's pension (and similar) arrangements, which increase the value of the liabilities (as measured under IFRS) by not more than EUR10 million.

7.2.23 Any other commitments, agreements, contracts, instruments or other documents of whatsoever nature, including without limitation in each case deeds, in relation to pensions with pension funds or other parties which have a value of up to EUR35 million.

Managing risk and corporate reputation

7.2.24 Preparing for approval by the Board, and implementing and managing, the Group's risk management approach.

7.2.25 Interacting with the media and approving any press release in relation to any matter within the ambit of the CEO.

7.2.26 Implementing and managing compliance with the Code of Business Integrity Principles and Code Policies and standards.

7.2.27 Preparing all public filings, reports and statements relating to the Group.

7.2.28 Representing the Company with major customers, suppliers, trade and professional bodies.

Responsibilities of the CEO and the CFO

7.3 In each case, subject to the exclusive duties of the Board referred to in clause 2.21, the Board has delegated all powers, authorities and discretions relating to the matters set out in clauses 7.3.1 through 7.3.24 to the CEO and CFO, acting jointly.

Mergers, acquisitions, joint-ventures and disposals

7.3.1 Any merger, acquisition or joint venture where the value of consideration paid, or of the assets contributed by the Group, does not exceed EUR250 million, and any disposal that exceeds EUR150 million and where the value of consideration received or of the assets contributed by other third parties, does not exceed EUR100 million.

Restructuring projects

7.3.2 Any restructuring project, where the total value of spend does not exceed EUR50 million.

Capital expenditure and real estate agreements

7.3.3 Any capital expenditure project or a real estate agreement, which has a value not exceeding EUR75 million including land and property agreements.

Litigation

- 7.3.4 Tax audit and tax litigation settlements with an estimated value not in excess of EUR25 million.

Financial

- 7.3.5 Proposing for approval by the Board a financial framework and targets, and a dividend policy for the Group.
- 7.3.6 Setting financial and treasury strategies for the Group and implementing them, including:
- (i) approving long-term borrowings up to a value for any single borrowing of EUR750 million (and for this purpose any issues of debt instruments, and any tranche thereof, whether or not made under a debt issuance programme, shall qualify as a single borrowing); and
 - (ii) approving the entering into by the Company whether as borrower or guarantor or both and approval of the terms of any standby loan facilities providing for borrowings of up to EUR2,000 million (without needing to take into account the limits referred to in (i) above) in aggregate or such higher amount, as may be approved by the Board from time to time.
- 7.3.7 The establishment or update of (and approval of the amount (including any increase) and other terms of) any debt issuance programme of any kind, with a value not exceeding EUR8,000 million.
- 7.3.8 In respect of any borrowings approved in accordance with or relating to clauses 7.3.6 and 7.3.7, the issue or guarantee by the Company of any debt instruments (including the signing of any agreements or other documents necessary or conducive thereto, e.g. final terms, subscription agreements, underwriting agreements), and the listing of any debt instruments on any securities market, and the entering into by the Company whether as borrower or guarantor (of any Group company) of any other form of financing agreement or arrangement and any amendment or supplement thereto in connection with such debt instruments.
- 7.3.9 Any interest rate derivative, swap and unwinding of swap agreements, for each agreement with a value that does not exceed EUR500 million.
- 7.3.10 The giving by the Company of (and the approval of the terms of) any other guarantees and letters of comfort not in excess of EUR100 million.
- 7.3.11 The giving of (and the approval of the terms of) any other guarantees by the Company of the borrowings or debt instruments of any direct or indirect subsidiary or subsidiary undertaking of the Company up to an amount of EUR100 million for each single borrowing or debt instrument.
- 7.3.12 The granting of security (not being a guarantee) of any nature over the assets of any Group company, not exceeding a limit of EUR100 million per country at any time.
- 7.3.13 Cross currency funding and deposits of any amount.
- 7.3.14 Investor relations guidelines.
- 7.3.15 Third party costs arising from capital injections into Group companies, capital reductions of Group companies, transfers of shares or assets or mergers within the

Group (e.g., tax, stamp duty and fees), in each case where the costs are less than EUR50 million.

- 7.3.16** Entering into contracts with brokers and other intermediaries for the purpose of exchange swaps and derivatives transactions.
- 7.3.17** Entering into by the Company of any swaps or derivatives transactions (including under any International Swaps and Derivatives Association documentation).
- 7.3.18** Net investment hedges where the value of the hedge does not exceed EUR500 million.
- 7.3.19** Unhedged foreign currency balances (i.e. third party and internal funding, deposits, transactions in non-functional currencies not hedged to functional currency), where the value of the unhedged balance does not exceed EUR100 million.
- 7.3.20** Intra-Group dividend declarations, capital reduction and loans not exceeding EUR500 million.
- 7.3.21** Intra-Group transfer of shares or assets, and any other intra-group reorganisation not exceeding EUR500 million.
- 7.3.22** Capital injections to Group entities, where the value does not exceed EUR200 million.
- 7.3.23** Consulting costs, for each project (excluding those related to R&D and M&A) where the cost does not exceed EUR50 million.

Guarantees

- 7.3.24** The giving by the Company (and the approval of the terms) of any guarantee of the activities of any Group company falling within clauses 7.2.1 through 7.2.28 and clauses 7.3.1 through 7.3.23.

Board notification

- 7.4** Notwithstanding the authorities outlined in clauses 7.3.1 through 7.3.24, the CEO will notify the Board of any issues, projects, transactions or resolutions adopted by the CEO individually or jointly with the CFO, on behalf of the Board, that, in the CEO's judgement, have the capacity to materially impact the Group or the reputation of the Group.
- 7.5** Without prejudice to the authority conferred in clauses 7.3.16 through 7.3.19, the CEO shall report to the Board:
 - (i) any net investment exposures exceeding a cost (at the time of entering into the transaction) of EUR500 million per annum;
 - (ii) any hedging of net equity balance sheet exposure in excess of EUR500 million per currency or any unhedged net equity balance sheet exposure in excess of EUR100 million per currency; or
 - (iii) any other financial or commodity derivative exposure, which is material in the context of the Group and out of the ordinary course of business.
- 7.6** The CEO will notify the Board of the Group's entry into any country through means of indirect investment, e.g. agents.

Other

- 7.7** Each of the CEO and CFO, in discharging their respective duties, is responsible to the Board as a whole. However, in articulating its view of the CEO's and CFO's performance, the Board will operate through the Chair.
- 7.8** The CEO's direct reports will comprise all members of the Executive Leadership Team and such other functional heads as the CEO elects.
- 7.9** All internal business-related communications are the responsibility of the CEO.

8 NON-EXECUTIVE DIRECTORS

Primary responsibilities

- 8.1** The Non-Executive Directors share full responsibility for the execution of the Board's duties. Within this broad responsibility, the role of the Non-Executive Directors is to supervise the performance of duties of the Executive Directors and the general course of affairs of the Company and the business connected with it, focussing on the following key elements:
- 8.1.1** strategy: they constructively challenge and help develop proposals on strategy, and supervise the implementation of the sustainable long-term value creation strategy;
 - 8.1.2** performance: they scrutinise the performance of management in meeting agreed goals and objectives;
 - 8.1.3** risk: they satisfy themselves of the integrity and quality of financial information and that financial controls and systems of risk management are effective, robust and defensible;
 - 8.1.4** people: they take responsibility for determining appropriate levels of remuneration of Executive Directors, and have a prime role in the proposals to be made to the General Meeting relating to appointing and, where necessary removing, of Executive Directors and in succession planning;
 - 8.1.5** reporting: they take responsibility for the processes for accurately reporting on performance and the financial position of the Group;
 - 8.1.6** compliance: they shall keep governance and compliance with the legislation and regulations under review and the conformity of the Group's practices to accepted norms; and
 - 8.1.7** relationships: they shall supervise the relations between the Board and the Shareholders.

Meetings of Non-Executive Directors

- 8.2** The Non-Executive Directors shall meet without the Executive Directors at least once a year to consider agenda items set by them. The Chair, or in the Chair's absence the Vice-Chair, shall preside over such meetings.
- 8.3** The Non-Executive Directors can ask members of management and external professional advisers to attend those meetings. The Company Secretary shall assist them with the support they need.

Relation with the Executive Directors

- 8.4** Each Non-Executive Director is responsible for obtaining the information from the Executive Directors that the Non-Executive Directors need to properly fulfil their supervising duties.

Relation with the General Meeting

- 8.5** The Board shall ensure that the General Meeting is adequately provided with information. If for purposes of an overriding interest of the Company the Board decides not to provide the General Meeting with all information desired, they shall give their reasons for this.
- 8.6** The Company shall establish a high-level policy on bilateral contacts with Shareholders and shall publish this on the Company's website.

9 COMMITTEES

- 9.1** The Board may assign certain tasks to one or more permanent or ad hoc Committees.
- 9.2** The Board has a permanent Audit and Risk Committee, Nomination and Governance Committee, and Remuneration Committee, governed by the terms of reference which shall be published on the Company's website.
- 9.3** The Board shall appoint from the Non-Executive Directors the members, including the chair, of the Audit and Risk Committee, the Remuneration Committee and the Nomination and Governance Committee.
- 9.4** For each Committee, the Board adopts terms of reference setting out the composition, duties and internal proceedings of the Committee.
- 9.5** Minutes shall be prepared as a record of the business of a meeting of each Committee.
- 9.6** Committees report to the Board on a regular basis about their actions, reviews, proposals and findings.

10 CHIEF LEGAL OFFICER AND COMPANY SECRETARY

Chief Legal Officer

Formal status

- 10.1** The appointment or removal of the Chief Legal Officer is a matter for the CEO, subject to the approval of the Board in accordance with clause 4.15(iii).
- 10.2** The Chief Legal Officer reports to the CEO.

Responsibilities

- 10.3** The Chief Legal Officer is responsible for:
- 10.3.1** the provision of legal advice to the Group, the Board and the Executive Leadership Team;
 - 10.3.2** the global legal function;
 - 10.3.3** legal and regulatory compliance, intellectual property and managing the global business integrity function responsible for delivering effective, organisation-wide capability for implementing the Code of Business Integrity Principles and Code Policies; and
 - 10.3.4** reporting to the CEO when the Chief Legal Officer notes that the interests of the Executive Directors and the Non-Executive Directors diverge, as a result of which it is unclear which interests the Chief Legal Officer and/or Company Secretary should represent and, in the event of a conflict of interest involving the CEO, the Chief Legal Officer shall report to the Chair.

10.4 All Directors shall have access to the Chief Legal Officer at any time and in relation to any matter relating to the Group.

10.5 Unless otherwise determined by the Board, the Chief Legal Officer shall attend all Board meetings and all Audit Committee meetings. The Chief Legal Officer may also attend meetings of the other Committees at the invitation of the chairs of the relevant Committee.

Company Secretary

Formal status

10.6 The appointment and removal of the Company Secretary is a matter to be decided by the Board, after consultation of the Chief Legal Officer.

10.7 All Directors have open access to the Company Secretary at any time and on any matter relating to the Group.

10.8 The Company Secretary reports to the Chief Legal Officer.

Responsibilities

10.9 The Company Secretary is responsible for:

10.9.1 providing administrative and general support to Directors;

10.9.2 facilitating the provision of information by the Board;

10.9.3 assisting the Board with preparation of the Annual Accounts;

10.9.4 proper procedure and corporate legal and regulatory compliance;

10.9.5 formal relations with Shareholders, including maintenance of the Company's shareholders' register(s) and convening of General Meetings;

10.9.6 matters relating to share capital and shareholding structures;

10.9.7 arrangement of induction, training/development and performance evaluations for the Board and Committees;

10.9.8 (subject to the discretion of the Disclosure Committee) drafting and publishing standard regulatory announcements (such as those related to Director Share dealing transactions); and

10.9.9 supporting the Chair in organising the Board's affairs, including the provision of information, meeting agendas, evaluations and training programmes.

10.10 The Company Secretary may attend meetings of Committees at the invitation of each Committee.

11 CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Preventing conflicts of interest

11.1 Any (apparent) direct or indirect personal interest of a Director that conflicts with the interests of the Company or the business connected with it, is to be avoided.

11.2 Directors are expected to be alert to conflicts of interest and act in accordance with the relevant principles set out in the Code of Business Integrity Principles and Code Policies.

11.3 Directors may not:

- (i) offer, demand or accept gifts, hospitality or other transfer of value save as permissible under the Code of Business Integrity Principles and the Code Policies for themselves, their spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree (each a **"Family Member"**);
- (ii) provide unjustified advantages to third parties at the Group's expense; or
- (iii) compete with the Group or take advantage of business opportunities that the Group is entitled to, for themselves or for Family Members.

11.4 A conflict of interest may exist if the Company wishes to enter into a transaction with a legal entity:

- (i) in which a Director has a material financial or other interest; or
- (ii) which has an executive or non-executive director who has a family relationship with a Director.

Consequences

11.5 A Director may not participate in the Board's discussions and decision-making process on a subject where the Director is found to have a conflict of interest pursuant to clause 11.8 and no account shall be taken of such Director when determining how many votes are cast by Directors or how many Directors are present or represented at the meeting.

11.6 If all Directors have such conflict of interest, the relevant resolution shall nevertheless be adopted by unanimous vote of the Board.

Obligation to report

11.7 A Director must without delay report any (potential) conflict of interest to the Chair and the other Directors, or, in case of any (potential) conflict of interest of the Chair, to the Vice-Chair and the other Directors. The Director concerned must provide all relevant information, including any relevant information concerning such Director's Family Members.

Determination of conflicts of interest

11.8 The Board decides whether a reported (potential) conflict of interest of a Director qualifies as a conflict of interest to which clause 11.5 applies, without the Director concerned being present.

Required terms and approval

11.9 Matters where the Board has found one or more Directors to have a conflict of interest may only be entered into by the Company on terms that are customary in the market. If the transaction is of material significance to the Company or to those persons, such transaction requires the approval of the Board.

11.10 All transactions between the Company and legal or natural persons who hold at least 10% of the Shares should be agreed on terms that are customary in the market. If the transaction is of material significance to the Company or to those persons, such transaction requires the approval of the Board.

11.11 Resolutions as referred to in clauses 11.9 and 11.10 shall be published in the Management Report, together with a statement of the conflict of interest and a declaration that applicable laws and regulations have, to the extent applicable, been complied with.

Other related party transactions

- 11.12** Any Related Party Transaction requires the approval of the Board and the Audit and Risk Committee and is to be treated in accordance with the Related Party Transaction Policy.

12 REMUNERATION

Remuneration policy

- 12.1** The Company has a policy on the remuneration of the Board. The policy shall be clear and understandable, designed to support strategy, focus on sustainable long-term value creation for the Company and the business connected with it, and take account of the internal pay ratio within the business. The policy shall not encourage Directors to act in their own interest, nor to take risks not within the Company's strategy and the established risk appetite. The policy shall be adopted by the General Meeting at the proposal of the Board, taking into consideration the recommendation of the Remuneration Committee.
- 12.2** The policy shall again be submitted to the General Meeting for adoption at least every four years after its previous adoption.

Remuneration of Executive Directors

- 12.3** With due observance of the policy referred to in clause 12.1, the authority to establish the remuneration and other terms of service for Executive Directors is vested in the Board. The Executive Directors shall not take part in the discussions and decision-making by the Board on this.
- 12.4** Proposals concerning remuneration of Executive Directors in the form of Shares or rights to subscribe for Shares, shall be submitted by the Board to the General Meeting for approval. Such proposals must, at a minimum, state the number of Shares or rights to subscribe for Shares that may be granted and the criteria that apply to the granting of such Shares or rights to subscribe for Shares and the amendment of such arrangements.

Remuneration of Non-Executive Directors

- 12.5** With due observance of the policy referred to in clause 12.1, the authority to establish the remuneration for Non-Executive Directors is vested in the General Meeting. The remuneration shall promote an adequate performance of their roles and shall not depend on the results of the Company. The remuneration shall further reflect the time spent and the responsibilities of their roles and may not include remuneration in the form of Shares and/or rights to subscribe for Shares.

Remuneration report

- 12.6** The Board shall prepare a remuneration report in which it renders account of the implementation of the remuneration policy in a transparent manner. This report shall be published on the Company's website.
- 12.7** The remuneration report shall be put on the agenda of the annual General Meeting for an advisory vote.
- 12.8** The remuneration report shall include a description of the work of the remuneration committee and an explanation on how last year's advisory vote of the General Meeting has been taken into account.

Agreement with Directors

- 12.9** The main elements of a contract between a Director and the Company shall be published on the Company's website in an easily accessible overview, ultimately at the time of the notice convening the General Meeting at which the appointment of the Director will be proposed.

13 CHIEF AUDITOR

Formal status

- 13.1** The Chief Auditor will be appointed and removed by the Board.
- 13.2** All Directors, and in particular the Chair and the other Non-Executive Directors, have open access to the Chief Auditor at any time and vice versa.
- 13.3** The External Auditor has open access to the Chief Auditor at any time and vice versa.
- 13.4** The Chief Auditor reports to the Board and administratively to the CFO.

Responsibilities

- 13.5** The Chief Auditor is responsible for assessing the design and operation of the internal risk management and control systems. The Chief Auditor shall provide independent reassurance to the Board, through the CEO, that all major risks affecting the achievement of the Group's objectives are adequately understood and managed.

Reporting

- 13.6** The Chief Auditor shall draw up an audit plan, in consultation with the Board, the Audit and Risk Committee and the External Auditor, which is ultimately to be submitted for approval to the Board. Status reports and reports reviewing specific subjects are sent by the Chief Auditor to the Board. Copies of all internal audit reports are made available to the Group Controller and to the External Auditor.

Responsibility of, and assessment by, the Board

- 13.7** The Board is responsible for the internal audit function. The Audit and Risk Committee supervises the internal audit function and maintains regular contact with the Chief Auditor. Annually, the Audit and Risk Committee shall assess the way in which the Chief Auditor fulfils its responsibilities.

14 EXTERNAL AUDITOR

Nomination

- 14.1** The Board shall submit the nomination for the appointment of the External Auditor to the General Meeting. The main conclusions of the Board regarding the nomination and the results of the selection process of the External Auditor shall be communicated to the General Meeting.

Engagement

- 14.2** The Non-Executive Directors resolve on the engagement with the External Auditor. In formulating the terms of engagement, attention shall be paid to the scope of the audit, the materiality to be used and remuneration for the audit.

Supervision

- 14.3** The Non-Executive Directors shall supervise the functioning of the External Auditor and shall inform the External Auditor of the main aspects of the reports concerning its performance.

Performance of work

- 14.4** The Non-Executive Directors and the External Auditor shall discuss the audit plan and the findings of the External Auditor based on the External Auditor's work performed.

Provision of information

- 14.5** The Board shall maintain regular contact with the External Auditor and shall ensure that the External Auditor will receive all information required to perform its work in a timely manner. The Board shall further give the External Auditor the opportunity to respond to the received information.

Meeting with Non-Executive Directors

- 14.6** The Non-Executive Directors shall meet with the External Auditor without the Executive Directors being present at least once a year.

Misconduct or irregularities

- 14.7** The External Auditor shall inform the Chair without delay if the External Auditor discovers or suspects an instance of malpractice or irregularities during the performance of the External Auditor's duties.

15 DIRECTORS' INDUCTION AND TRAINING

Background

- 15.1** The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards in the Group.
- 15.2** The Chair is responsible for ensuring that induction programmes and training are provided, and that the Company Secretary actually provides them.
- 15.3** Ultimately, however, it is the individual Director's responsibility to identify such person's needs and take steps to ensure that the individual Director is adequately informed about the Group and such person's responsibilities as a director.

Induction programme

- 15.4** The Company Secretary provides new Directors with a briefing on their legal and regulatory responsibilities as Directors. This includes providing a Directors' information pack containing all key Group documents relevant to their roles and responsibilities. The Company Secretary also provides documents setting out the current structure and performance of the Group's business.
- 15.5** The induction briefing may include briefings from internal and outside legal counsel, the External Auditor, members of the Executive Leadership Team and others, as the Company Secretary judges appropriate. This is weighted to cover any particular areas of responsibility that the Director is taking on. As part of the induction, Directors may meet major Shareholders.
- 15.6** The Company Secretary procures that new Non-Executive Directors are briefed on the business of the Group. This programme comprises initial documentation, presentations from members of the Executive Leadership Team, and opportunities to visit business operations.
- 15.7** The induction process is designed to:

- (i) build an understanding of the nature of the Group, its businesses and the markets and regulatory environments in which it operates;
- (ii) provide an appreciation of the responsibilities of a Non-Executive Director;
- (iii) build links to the Group's employees; and
- (iv) build an understanding of the Group's main relationships.

Ongoing education

- 15.8** The Company Secretary keeps the Board briefed on legal and regulatory developments relevant to the responsibilities of the Directors.
- 15.9** The Chair agrees and regularly reviews a personalised approach to training and development with each Director.
- 15.10** The Company Secretary ensures that the programme to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved. The Company Secretary confers with the Chair and CEO to ensure that this is the case.
- 15.11** The Board shall conduct an annual review to identify any aspects regarding which the Directors require training or education.

Information safeguards

- 15.12** The Executive Directors shall ensure the establishment and maintaining of internal procedures which safeguard that all relevant information is timely known to the Board. The Non-Executive Directors shall supervise the establishment and implementation of these internal procedures.

Reporting

- 15.13** An annual report to Shareholders is made in the corporate governance statement within the Management Report on the induction and training activities arranged during the year.

16 BOARD'S EVALUATION

Background

- 16.1** It is important that the Board and any Committees evaluate the effectiveness of their performance in a rigorous and structured way so that the Group may confirm to its Shareholders that it has high corporate governance standards.
- 16.2** The Chair is responsible for ensuring that such evaluation exercises take place, and the Company Secretary is responsible for the organisation.

The Board

- 16.3** The Chair leads the process whereby the Board assesses its own performance.
- 16.4** The evaluation process of the Board is undertaken internally by the Company Secretary. This process is, in addition, facilitated by a third party consultant at least every three years.
- 16.5** Following each evaluation, a report will be prepared based on appropriate interviews and responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chair. Thereafter, the Chair shall implement the actions that the Board decides are appropriate.

- 16.6** The Non-Executive Directors shall evaluate the functioning of the Board as a whole without the Executive Directors being present at least once a year, and shall discuss the findings from the evaluation.

Individual Directors

- 16.7** The Chair shall conduct the process of evaluating the performance of individual Directors in their role as a Director. The Chair and the Vice-Chair, respectively, shall consult the fellow Directors in such evaluation process.
- 16.8** The Vice-Chair shall conduct the process whereby the Board evaluates the performance of the Chair. The Vice-Chair shall consult the Chair's fellow Directors. The Vice-Chair shall share the resulting assessment with the Chair. These individual assessments are taken into account in the evaluation of the performance of the Board as a whole.
- 16.9** The Non-Executive Directors shall evaluate (i) their own functioning and (ii) the functioning of each Executive Director, without the Executive Directors being present, at least once a year, and shall discuss the findings from the evaluation. The Executive Directors shall evaluate their own functioning at least once a year as well.

Committees

- 16.10** Each chair of a Committee leads the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee.
- 16.11** The chair of the Committee reports on the results of the process to the Board.
- 16.12** The Non-Executive Directors shall evaluate the functioning of any Committees without the Executive Directors being present at least once a year, and shall discuss the findings from the evaluation.

Timing

- 16.13** The aforementioned evaluations are carried out on an annual basis.
- 16.14** All evaluations are to be completed before the Board meets to discuss the nominations for candidates for election as Directors at the annual General Meeting in that year.

Processes

- 16.15** The Company Secretary provides guidance on how to carry out evaluation processes and the criteria to be used. The Company Secretary updates this guidance each year in the light of internal experience and external best practice.

Reporting

- 16.16** An annual report to Shareholders is made in the corporate governance statement within the Management Report, which confirm that the evaluation processes have been carried out and describes the processes that were used.

17 MISCONDUCT AND IRREGULARITIES

Procedure

- 17.1** The Board shall establish a procedure for reporting (suspected) malpractice or irregularities within the Company and the business connected with it. The procedure shall be published

on the Company's website. The Board shall ensure that employees can make a report without jeopardising their legal position.

Informing the Chair

- 17.2** The Board shall inform the Chair without delay of (suspected) malpractice or irregularities within the Company and the business connected with it. Employees can report (suspected) irregularities to the Chair if the (suspected) malpractice or irregularities concern an Executive Director.

Oversight

- 17.3** The Non-Executive Directors shall supervise the operation of the procedure, the proper and independent investigation of signals of malpractice and irregularities, and if malpractice or irregularities have been found, adequate follow-up of possible recommendations for remedial action.

18 MISCELLANEOUS

Status

- 18.1** These Board Terms of Reference are complementary to the rules and regulations (from time to time) applicable to the Directors under Dutch law and the Articles of Association. If and to the extent these Board Terms of Reference are inconsistent with Dutch law or the Articles of Association, these Board Terms of Reference shall not apply.

Amendment

- 18.2** The Board may amend these Board Terms of Reference.

Governing law

- 18.3** These Board Terms of Reference are governed by and to be construed in accordance with the laws of the Netherlands.

Annex 1

Definitions and interpretations

1. In the Board Terms of Reference, the following terms have the following meanings:
 - “Annual Accounts”** means the annual accounts as referred to in Section 2:101 and Section 2:361, subsection 1, of the Dutch Civil Code, of the Company.
 - “Articles of Association”** means the articles of association of the Company, as amended from time to time.
 - “Board”** means the board of directors of the Company.
 - “Board Composition Standards”** has the meaning assigned thereto in article 3.6.
 - “Board Terms of Reference”** means these board terms of reference of the Company, as amended from time to time.
 - “CEO”** means the Executive Director who has been designated the title of chief executive officer.
 - “CFO”** means the Executive Director who has been designated the title of chief financial officer.
 - “Chair”** means the chair of the Board.
 - “Chief Auditor”** means the chief internal auditor of the Company.
 - “Chief Legal Officer”** means the chief legal officer of the Company.
 - “Code of Business Integrity Principles”** means the Group's code of conduct for carrying on business.
 - “Code Policies”** means the policies that support the Code of Business Integrity Principles.
 - “Committee”** means a committee of the Board.
 - “Company”** means The Magnum Ice Cream Company N.V.
 - “Company Secretary”** means the company secretary of the Company.
 - “Delegated Powers”** means the powers of the CEO delegated to the CEO by the Board.
 - “DCGC”** means the Dutch corporate governance code dated 20 March 2025, as amended from time to time.
 - “Director”** means a member of the Board. Unless the contrary is apparent, this shall include each Executive Director and each Non-Executive Director.
 - “Executive Director”** means an executive director of the Company.
 - “Executive Leadership Team”** means the Group's executives who have been designated as such by the CEO.
 - “External Auditor”** means the external auditor of the Company.
 - “Family Member”** has the meaning assigned thereto in article 11.3.
 - “General Meeting”** means the corporate body that consists of the Shareholders and all other persons with meeting rights or the meeting in which the Shareholders and all other persons with meeting rights assemble.

“Group” means the Company and its subsidiaries.

“Inability” means the inability of a Director to perform the duties within the meaning of Section 2:134, subsection 4, of the Dutch Civil Code, including the event that the relevant Director claims inability to perform such Director’s duties for a certain period of time in writing.

“Management Report” means the management report as referred to in Section 2:101, subsection 1, and Section 2:391 of the Dutch Civil Code, of the Company drawn up by the Board.

“Non-Executive Director” means a non-executive director of the Company.

“Related Party Transaction” has the meaning assigned thereto in the Related Party Transaction Policy.

“Related Party Transaction Policy” means the policy adopted by the Board in relation to Related Party Transactions (as defined therein).

“Senior Independent Director” means the Non-Executive Director designated by the Board as senior independent director and Vice-Chair.

“Share” means a share in the capital of the Company or an interest with an underlying right to the same, as the context may require.

“Shareholder” means a holder of one or more Shares.

“UKCGC” means the UK corporate governance code dated 22 January 2024, as amended from time to time.

“Vice-Chair” means the vice-chair of the Board who shall also serve as Senior Independent Director.

2. Save where the context dictates otherwise, in these Board Terms of Reference:
 - a) words and expressions expressed in the singular form also include the plural form, and vice versa;
 - b) references to “clauses” refer to clauses that are part of these Board Terms of Reference, except where expressly indicated otherwise;
 - c) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing statutory provisions that may apply from time to time; and
 - d) references to EUR shall be understood to also refer to the equivalent in any other currency.
3. Headings of clauses and other headings in the rules are inserted for ease of reference and do not form part of the rules concerned for the purpose of interpretation.