

## **DIGI COMMUNICATIONS N.V.**

### **REMUNERATION COMMITTEE - TERMS OF REFERENCE**

#### **1. BACKGROUND**

These terms of reference of the Remuneration Committee (the *Terms of Reference*) have been established by the non-executive directors (the *Non-Executive Directors*) of the Board of Directors (the *Board of Directors*) of Digi Communications N.V. (the *Company*) in accordance with article 20 paragraph 1 of the articles of association of the Company on 14 May 2017.

These Terms of Reference are supplementary to the provisions regarding the Remuneration Committee as set forth in the articles of association of the Company.

#### **2. DUTIES OF THE REMUNERATION COMMITTEE**

The Remuneration Committee shall have the following duties:

- (a) drafting a proposal to the Non-Executive Directors for the remuneration policy to be pursued, which policy shall be adopted by the general meeting;
- (b) recommending to the Non-Executive Directors and making a proposal for the remuneration of each director of the board of the directors of the Company (together: the *Directors*), within the limits of the remuneration policy. Such proposal shall, in any event, deal with:
  - (i) the remuneration structure; and
  - (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the Company and its affiliated enterprise.

When drafting the proposal for the remuneration of the Directors, the Remuneration Committee shall take note of individual Directors views with regard to the amount and structure of their own remuneration. The Remuneration Committee shall ask the Directors to pay attention to the aspects as included in the remuneration policy;

- (c) preparing the remuneration report;
- (d) to be aware of and advise the Board of Directors on any major changes in employee benefit structures throughout the Company or its subsidiaries (the *Group*); and
- (e) to administer all aspects of any executive share scheme operated by or to be established by the Company including but not limited to (subject always to

the rules of that scheme and any applicable legal and stock exchange requirements):

- (i) the selection of those eligible executives of the Company and its subsidiary companies to whom options or awards should be granted;
- (ii) the timing of any grant;
- (iii) the numbers of shares over which options or awards are to be granted;
- (iv) the exercise price at which options or awards are to be granted; and
- (v) the imposition of any objective condition which must be complied with before any option or award may be exercised.

### **3. COMPOSITION, EXPERTISE AND INDEPENDENCE**

3.1 Members of the Remuneration Committee shall be appointed and dismissed by the Board of Directors from among the Non-Executive Directors. The Remuneration Committee shall be comprised of at least three members. Only Non-Executive Directors shall qualify for membership of the Remuneration Committee. The Remuneration Committee will be chaired by the president of the Board of Directors.

3.2 In the event that a member of the Remuneration Committee is or becomes aware of any circumstance which may reasonably impair or affect his or her independence or the perception of his or her independence, he or she shall inform the chairperson of the Remuneration Committee (or in the case of the chairperson, the other members of the Remuneration Committee) thereof promptly. The Remuneration Committee shall consult with the Board of Directors in order to determine whether there is sufficient cause for resignation from, or termination of, the member's membership on the Remuneration Committee.

3.3 Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings. The Remuneration Committee may invite other individuals, such as other Company officers, to attend the meetings, as it deems appropriate. However, the Remuneration Committee shall meet without such officers at a meeting at which their compensation or performance is discussed or determined. For the avoidance of doubt, no executive director of the Company shall participate in the decision making relating to the compensation of executive directors of the Company.

3.4 The Board of Directors shall appoint one member of the Remuneration Committee to act as its chairperson. In the absence of the chairperson of the Remuneration Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

#### **4. QUORUM**

4.1 The quorum necessary for the transaction of business shall be two members.

4.2 A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

#### **5. MEETING ADMINISTRATION**

5.1 The Remuneration Committee shall meet at least once a year at the times as may be agreed by the members and at such other times as determined by the chairperson of the Remuneration Committee.

5.2 The meetings of the Remuneration Committee are called by the chairperson of the Remuneration Committee at the request of any of its members.

5.3 Unless otherwise agreed by all Remuneration Committee members, notice of each meeting, confirming the venue, the time and date, any dial-in details and the agenda shall be forwarded to each member of the Remuneration Committee, any other person required to attend and all other Non-Executive Directors, as soon as practicable and in any event no later than five working days before the date of the meeting.

5.4 Decisions must be taken by a simple majority of the members present or represented. In case of an equality of votes, the chairperson of the Remuneration Committee has the casting vote.

#### **6. MINUTES**

6.1 Minutes must be kept of the proceedings at the Remuneration Committee meetings. The minutes of Remuneration Committee meetings will state the time and place of the meeting, list the persons attending the meeting, state the existence of any conflict of interest, summarize matters discussed and important accounting and internal control matters questioned in the meeting. The minutes of Remuneration Committee meetings shall be signed by the chairperson of the Remuneration Committee or in his absence, those members of the Remuneration Committee attending the meeting.

6.2 Minutes of Remuneration Committee meetings shall be circulated promptly to all members of the Remuneration Committee and, once agreed, to all members of the Board of Directors, unless a conflict of interest exists.

#### **7. SELF EVALUATION**

The Remuneration Committee shall, at least once a year, review its own performance, composition and Terms of Reference and recommend any changes it considers necessary to the Board of Directors for approval.

## **8. REPORTING RESPONSIBILITIES**

8.1 The chairperson of the Remuneration Committee shall report formally to the Board of Directors on the Remuneration Committee's deliberations, findings and proceedings after each meeting on all matters within its duties and responsibilities. Furthermore, the Remuneration Committee will report to the Board of Directors or separately to the Non-Executive Directors if and when so requested in individual cases by the chairperson of the Board of Directors or by two Non-Executive Directors.

8.2 The Remuneration Committee shall produce such recommendations to the Board of Directors as it deems appropriate on any area within its remit where action or improvement is desirable.

8.3 The Remuneration Committee shall produce an annual report of the Company's remuneration policy and practices, which shall include a statement about the Remuneration Committee's composition, activities, the number of meetings held and the main issues dealt with at these meetings and shall form part of the Company's annual report.

8.4 The chairperson of the Remuneration Committee or any other member of the Remuneration Committee (as appointed by the chairperson) shall attend the annual general meeting of shareholders prepared to respond to any shareholder questions on the Remuneration Committee's activities.

## **9. OTHER MATTERS**

The Remuneration Committee shall:

- (a) have access to sufficient resources in order to carry out its duties;
- (b) be provided with appropriate and timely information;
- (c) give due consideration to all applicable laws and regulations, including (but not limited to) the provisions of the Dutch Civil Code, the Dutch Corporate Governance Code and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*); and
- (d) oversee any investigation of activities which are within its Terms of Reference.

## **10. AUTHORITY**

10.1 The Remuneration Committee is authorised by the Board of Directors to:

- (a) undertake any activity within its Terms of Reference;
- (b) seek any information that it requires from any Group employee in order to perform its duties;

- (c) obtain, at the Company's expense, but in accordance with the articles of association of the Company, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend at meetings of the Remuneration Committee, provided that in case the Remuneration Committee makes use of the services of a remuneration consultant, it must verify that the consultant concerned does not provide advice to any executive directors of the Board of Directors;
- (d) call any Group employee to be questioned at a meeting of the Remuneration Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members, independent counsel and other advisors, as it deems necessary to carry out its duties.

\*\*\*