



## Roto Smeets Group

### REMUNERATION POLICY

The remuneration policy of the Managing Director is to be adopted by the General Meeting of Shareholders. This policy is aimed at rewarding the Managing Director on the basis of his contribution to the results of the company.

Each time after two years, the Supervisory Board reviews the employment conditions of the Managing Director. With regard to the determination of the level and the structure of the remuneration, result development and non-financial indicators relevant to the long-term value creation of the company are among the factors considered.

Regarding the review mentioned above, the employment conditions of the Management Director will be compared with the following criteria, which need to be kept in balance:

- balance in the remuneration level which according to the best processable information with respect to that, applies in the Netherlands to board members of companies with a comparable size, importance and profit basis, so that Roto Smeets Group does not position itself with a financial handicap in the market from which management talent is available;
- balance in the income ratio compared to the layers of management of the company below the Managing Director, so that the differences can be rationally justified from the comparison of the size of the tasks and responsibilities as well as the competences required for the top management positions;
- balance with the development of the returns / profits of Roto Smeets Group;
- balance with the securities, rights and obligations resulting from the social policy of Roto Smeets Group.

The result of this review will serve as a starting point for the then to be (partly) restated employment conditions. The Managing Director is thereby partly responsible vis-à-vis the company for these employment conditions being and remaining in agreement with the employment conditions for the other employees and with the appropriate laws and regulations.

The level of the remuneration is determined on the basis of market research carried out within the Netherlands among board members of companies with a comparable size, importance and result – the so-called peer group. For this, use is made of the research as carried out annually by Hay Consultants. The Managing Director is remunerated at the median level in the market and he will receive from Roto Smeets Group a remuneration based on this level, consisting of a fixed and a variable part. The Supervisory Board analyses the possible outcomes of the variable remuneration components and the subsequent consequences for the remuneration of the Managing Director.

Through a short term (1 year) variable component a link is established between the remuneration of the Managing Director and the performance of the company. The level of the short-term component is determined by the EBITDA of the company as a percentage of the average capital used (invested capital, fixed assets and working capital) and is fixed annually by the Remuneration Committee of the Supervisory Board. In case of insufficient performance, the short-term component may be reduced.

The payment of the variable part of the remuneration in any year is based on the developments of the previous year.

When new board members take up office, the best practice provision II.1.1 of the Dutch Corporate Governance Code is in principle applicable and the board members will be appointed for four years. Reappointment is possible on a four-year basis.

The severance payment in case of dismissal will amount to a maximum of one annual salary (fixed component).

*In the event of any difference of interpretation, the Dutch original of this English translation shall apply.*

RSG March 2011