



Management Rules

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Owner:	Finance Director		
Approval:	The Management Board		

These management rules (the '**Rules**') were adopted by the Board of directors (the '**Board**') of **PHCEurope B.V.**, formally known as Panasonic Biomedical Sales Europe B.V. (the '**Company**') on 19 April 2017.

I. SCOPE OF APPLICATION

1. These Rules have been drawn up pursuant to **Article 11.2** of the Company's Articles of Association and are complementary to the rules and regulations applicable to the Board under Dutch law and to the Company's Articles of Association.
2. Where these Rules are inconsistent with the Company's Articles of Association, the Articles of Association shall prevail. Where these Rules conform to the Articles of Association, but are inconsistent with Dutch law, Dutch law shall prevail. If one or more provisions of these Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Board shall replace the invalid provisions by those which are valid and the effect of which, given the contents and purpose of these Rules, corresponds as much as possible to that of the invalid provisions.
3. In its resolution adopted on 19 April 2017, the Board unanimously declared that:
 - a. it will comply with and be bound by the obligations arising from these Rules to the extent that they apply to it and its members; and
 - b. on appointment of new members, it will ensure that such members agree to comply with the obligations as referred to in a) above.

II. THE BOARD AND THE STEERING COMMITTEE

1. The Board is collectively responsible for management of the Company, the general affairs of the Company's business operations and its relationship with all interested parties, including perspective and existing business partners and affiliated companies. Certain key persons may be appointed by the Board to manage the Company's business together with the Board. The members of the Board and these key persons together constitute the **Steering Committee** of the Company.
2. The responsibilities of the Board shall include:
 - a. Defining the Company's mission, vision and business values;



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- b. Developing and maintaining effective governance structure;
 - c. Setting objectives for measuring the Company's performance and tracking its progress in a long-term;
 - d. Determining the Company's strategy and policies designed to achieve the Company's objectives;
 - e. Ensuring that the Company achieves its KPIs.
 - f. Ensuring availability of adequate financial and human resources necessary to attain the set goals;
 - g. Approving projects and initiatives which require significant financial investment;
 - h. Ensuring that effective internal risk management and control systems are in place and that these are adequately reflected in annual reports;
 - i. Promoting and enforcing the Company's compliance with applicable laws and regulations;
 - j. Taking on board corporate social responsibility issues relevant to the Company's activities;
 - k. Preparing annual accounts and annual budget;
 - l. Ensuring accuracy and completeness of financial reporting;
 - m. Ensuring that communications with the stakeholders are both constructive and effective;
 - n. Encouraging continuous improvement of the Company's performance in the areas related to quality, safety, health, environment and customers' satisfaction;
3. The responsibilities of the Steering Committee shall include:
- a. Setting objectives for measuring the Company's performance and tracking its progress in a short-term;
 - b. Ensuring that the Company has a development (implementation) plan that feeds from the strategic plan;
 - c. Ensuring that the Company's organisational structure reflects the requirements of the implementation plan and that the roles and responsibilities of the Company's personnel are clearly defined;
 - d. Monitoring development, evaluating the Company's actual performance, and initiating corrective adjustments to the implementation plan, if required;



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4. In discharging their duties, the Board and the Steering Committee shall be guided by the interests of the Company and its business. They shall also take into account the requirements and expectations of all interested parties.
5. The members of the Board and the Steering Committee shall divide their tasks by mutual consultation. If one of the members is absent, his duties and powers shall be carried out by the remaining members of the Board or the Steering Committee. In case of a long-term absence, the General Meeting shall be notified.
6. Each member of the Steering Committee shall be accountable to the Board for the fulfilment of his duties. He shall report to the Board on a regular basis and in such a manner as to give the Board a proper insight into the performance of his duties.
7. The Board remains collectively responsible for the management of the whole Company and for the decisions made, even if they are prepared by individual members of the Board or the Steering Committee. An individual member of the Board may only exercise such powers as are explicitly attributed or delegated to him.
8. Every year the Board shall draw up an operational and capital budget for the following year and financial statements and an annual report for the previous financial year. Financial statements shall be filed with the Dutch Chamber of Commerce no later than thirteen (13) months following the end of the accounting year in question, in accordance with 2:394 sub. 3. of the Dutch Civil Code.

III. COMPOSITION, REPRESENTATION AND INDEPENDENCE OF THE BOARD

1. The Board shall consist of one or more members. The members of the Board of Management are appointed and dismissed by the General Meeting.
2. Each individual member of the Board is authorized to represent the Company.
3. The Board shall elect a chairman among its members. The chairman is voted into his or her position by a majority vote and is responsible for (i) providing leadership to the Board; (ii) ensuring its overall effectiveness by, *inter alia*, facilitating communication between the Company's directors and the



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shareholder(s); setting the agenda of the Board meetings and making sure that adequate time is available for discussion of all agenda items, in particular strategic issues.

4. The Board shall function independently of any instructions of a third party outside the Company.

IV. BOARD MEETINGS AND ADOPTION OF RESOLUTIONS

1. A Board meeting may be convened at any time and place, on any day excluding a national holiday.
2. In addition, Board meetings may be held by telephone or by videoconferencing provided that all the participants can hear one another simultaneously and can communicate with one another without any significant hindrance.
3. Board meetings shall be convened and presided over by the chairman who shall compile the agenda of each meeting beforehand. A written notice shall be sent to all members of the Board in advance, specifying the date, the place and the venue of the meeting and attaching the agenda and other relevant materials.
4. Where possible, each item of business requiring approval of the Board shall be supported by a note setting out the details of the proposal, relevant material facts that enable the members of the Board to understand the meaning, scope and implications of the proposal in question. (Guest) speakers or representatives of different departments of the Company may be called on to speak to the Board on subjects requiring action or resolution.
5. The Board may pass resolutions only if the majority of the members of the Board are present at the relevant meeting, with the proviso that members who have a conflict of interests as referred to in V below shall not be taken into account when establishing this quorum.
6. The Board may also adopt resolutions outside a meeting, provided that the motion in question has been submitted to all of its members, none of them has objected to this form of decision-making, and each of them has voted in favour of the resolution.
7. A resolution shall be passed if it is approved by a **simple majority** of the votes validly cast. In the event of a tie, the chairman shall have the casting vote. A Board member who disagrees with the Board's decision may request that his/her dissenting opinion is appended to the minutes of the meeting.



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8. The responsibility for taking and keeping minutes of meetings shall be that of a secretary appointed by the Board.
9. The minutes of a Board meeting shall contain at least the following essential elements: (i) date, time and location of the meeting; (ii) list of attendees; (iii) an outline of the meeting based on the agenda; (iv) record of actions taken and resolutions made; (v) results of the voting. If no action has been taken on a specific item, it shall be noted what the main focusses of the discussion were and if/when the item will be reviewed again (where applicable).
10. Minutes shall be adopted in the next meeting. The adopted minutes shall be checked and signed by the chairperson of the meeting and the secretary and shall serve as formal evidence of the proceedings and of the resolutions made.

V. CONFLICT OF INTERESTS

1. A member of the Board shall not take part in any discussion or decision-making process that involves a subject or transaction in relation to which such member has a conflict of interest. A conflict of interest exists where a Board member's duties towards the Company clash with duties elsewhere (family, personal social and business relationships etc).
2. Each member of the Board shall immediately report any (potential) conflict of interest to the chairman of the Board or - if it is the chairman who is under the obligation to report - to the other members of the Board. The report shall include sufficient information to enable other members of the Board to determine (without the member of the Board concerned being present) whether the requirements of article 5.1 have been fulfilled and the member concerned should indeed be prevented from taking part in the decision-making process regarding the subject matter in question.
3. Transactions as referred to in article 5.1 shall be mentioned in the Company's annual management report for the financial year in question.

VI. RELATIONSHIP WITH SHAREHOLDER(S)



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1. The members of the Board have the right to give an advisory vote with regard to resolutions proposed by the shareholder(s) in General Meetings, irrespective of whether a physical General Meeting is convened.
2. The Managing Board shall provide the General Meeting with any information it may require, unless important interests (*zwaarwegende belangen*) of the company or any law, rules or regulations applicable to the Company prevent it from doing so. The Board shall specify the reasons for invoking such important interests.
3. The Board is responsible for the Company's governance structure and will account for this to the General Meeting.

VII. CONFIDENTIALITY

Members of the Board (both current and former) shall treat all information and documentation received from or on behalf of the Company with the necessary discretion and integrity and, in the case of classified information, with appropriate level of secrecy, in full compliance with the Company's policy on Information Security Management.

VIII. DEPARTURE FROM THE RULES, AMENDMENTS

1. Where circumstances require, the Board reserves the right to depart from these Rules except where this is specifically prohibited by the Articles of Associations or by Dutch law.
2. The Rules may be amended by the Board, provided that the General Meeting has supported and approved the proposed amendments.

IX. GOVERNING LAW AND JURISDICTION

1. These Rules shall be governed by and construed in accordance with Dutch law.
2. The courts of Amsterdam, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with these Rules (including any dispute regarding the existence, validity or termination of these Rules).