

# RULES

## MANAGEMENT BOARD

### Article 1. Specific management duties and appointments

- 1.1 In addition to the duties of the Management Board stipulated by law and the Articles of Association of the Company, the Management Board has the following responsibilities:
- a) achieving the aims, strategy and policy and results of the Company;
  - b) managing the risks associated with the activities of the Company;
  - c) financing the Company; and
  - d) establishing and maintaining disclosure controls and procedures which ensure that all major financial information is known to the Management Board, so that the timeliness, completeness and accuracy of the external financial reporting are assured. For this purpose, the Management Board ensures that the financial, operational and other information from business divisions and subsidiaries is reported directly to it and that the integrity of the information is not compromised.
- 1.2 The Management Board shall be guided by the interests of the Company, taking into consideration the interests of all stakeholders. In performing the management of any group company the Management Board and each individual Management Board member shall also observe these Management Board Rules.
- 1.3 The Management Board shall ensure that the Company has an internal risk management and control system, which shall include:
- a) risk analyses of the operational and financial objectives of the Company;
  - b) a Code of Ethics;
  - c) guides for the layout of the financial reports and the procedures to be followed in drawing up the reports; and
  - d) a system of monitoring and reporting.
- The Management Board shall periodically discuss the internal risk management and control systems, including any significant changes that have been made and any major improvements that are planned, with the Supervisory Board and the Audit Committee.
- 1.4 The Management Board shall advise the Supervisory Board with regard to the nomination by the Supervisory Board of a candidate for the appointment of the External Auditor by the General Meeting of Shareholders, and it shall consult with the Supervisory Board about the remuneration of the External Auditor and about instructions to the External Auditor to provide non-audit services.
- 1.5 A Management Board member shall not accept an appointment as a member of a supervisory board or a similar position in a listed company without prior approval of the Supervisory Board. A Management Board member shall not be a supervisory board member in more than two listed companies and he shall not be chairman of a supervisory board of another listed company. Each Management Board member shall disclose any other important positions to the Supervisory Board.
- 1.6 Each Management Board member agrees that the main elements of his contract with the Company, including the amount of fixed salary, the structure and the amount of any variable components, any redundancy scheme, pension arrangements, indemnification arrangements and performance criteria, shall be made public on the website.

**Article 2. Information to Supervisory Board, Shareholders and third parties**

- 2.1 The Management Board shall timely provide to the Supervisory Board and to the General Meeting of Shareholders all information that they reasonably require for the fulfillment of their obligations and the exercise of their powers, unless this would be contrary to an overriding interest of the Company. If the Management Board invokes an overriding interest, it must give reasons.
- 2.2 In each case in which the Management Board seeks the approval from the shareholders meeting for a certain contemplated resolution or in which it asks for a delegation of powers of the shareholders meeting or an authorization, the Management Board shall submit to the shareholders a “shareholders circular” with which it shall inform the shareholders meeting of all facts and circumstances relevant to the approval, delegation or authorization to be granted. A similar document shall be prepared in the form of a proxy statement in which the Management Board solicits proxies from shareholders for the approval of the proposed action. Such proxy statement shall be distributed to all record and beneficial holders of the Company’s stock listed on the NASDAQ Stock Market in compliance with the rules of the NASDAQ Stock Market.
- 2.3 The Management Board shall publish each shareholders’ circular and proxy statement on the website.
- 2.4 The contacts with the investors of capital shall be maintained by the Management Board. The Management Board shall regularly and always when so requested inform the Supervisory Board of such contacts and, if necessary, consult the Supervisory Board.
- 2.5 The contacts between the Management Board on the one hand and press and analysts on the other shall be carefully handled and structured, and the Management Board shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa. No Management Board member shall prior to publication comment upon or correct, other than matters of fact, any analysts’ reports.
- 2.6 The Management Board shall report to the Supervisory Board on an annual basis, its dealings with the External Auditor including his independence in particular. Upon request of the Chairman of the Audit Committee each Management Board member shall attend the meeting of the Audit Committee.
- 2.7 The Management Board is responsible for the quality and completeness of financial and other reports, which are publicly disclosed by or on behalf of the Company, including all reports and documents the Company is required to file with regulatory agencies.

**Article 3. Conflict of interest**

- 3.1 A Management Board member shall be deemed to have a conflict of interest with the Company if:
  - a) he has a material personal financial interest in a company with which the Company intends to enter into a transaction;
  - b) he has a family relationship with a management board member of a company or entity with which the Company intends to enter into a transaction;
  - c) he is a member of the management or supervisory board of, or holds similar office with, a company or entity with which the Company intends to enter into a transaction;
  - d) the Supervisory Board has ruled at his sole discretion that such conflict of interests exists or is deemed to exist.
- 3.2 Each Management Board member shall immediately report any potential conflict of interests to the Chairman of the Supervisory Board and to the other Management Board members.

A Management Board member shall in such case provide the Chairman of the Supervisory Board and the other Management Board members with all information relevant to the conflict.

- 3.3 A Management Board member shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he has a conflict of interests. The Management Board member shall not enter into any such transaction if it is of material significance to the Company or the Management Board member concerned, unless it is approved by the Supervisory Board. Such transaction must be concluded on at least customary terms. The Management Board member shall not be present at the Supervisory Board's deliberations and decision on the matter. For purposes of this article 3.3 the interests of a Management Board member's immediate family shall be attributed to the member.
- 3.4 Each Management Board member agrees that all transactions that the Company has entered into and in which a Management Board member has a conflict of interests as referred to in the previous article, shall be published in the annual report.
- 3.5 A Management Board member shall not:
- a) enter into competition with the Company;
  - b) accept (substantial) gifts from the Company for himself or for any relative;
  - c) provide unjustified advantages to third parties;
  - d) take advantage of business opportunities to which the Company is entitled, for himself or for any relative.

**Article 4. Management Board member securities investments**

- 4.1 Any ownership of ASMI securities by a Management Board member shall be for longterm investment purposes only.
- 4.2 Members of the Management Board and Supervisory Board shall be free to invest in securities, unless applicable law, the Management Board Rules or the Company's Rules concerning Insider Trading provide otherwise.
- 4.3 The Supervisory Board may determine in consultation with the Management Board that members of the Management Board and Supervisory Board shall not execute transactions in certain other securities ("Other Securities"), if there are good reasons to believe that Management and/or Supervisory Directors can by virtue of their position in the Company make a better assessment of the state of affairs in the entity issuing the Other Securities than they could make on the basis of public information (e.g. in respect of certain competitors of the Company).

**Article 5. Status**

- 5.1 These Management Board rules shall be observed by all Management Board members.
- 5.2 The Management Board shall cause every new Management Board member to declare upon his appointment that he shall observe the Management Board Rules as they read from time to time.
- 5.3 These Management Board Rules have been made by the Supervisory Board and can be amended at any time by resolution of the Supervisory Board
- 5.4 These Management Board Rules shall be made available on the website.