

# ANNUAL REPORT

2019



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#### FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements regarding Accell Group's results, capital and liquidity positions. In addition, forward-looking statements may include, but are not limited to, phrases such as "intends", "expects", "is taking into account", "targets", "plans", "estimates" and words with a similar meaning. These statements pertain to or may have an effect on future events, such as Accell Group's future financial results, company plans and strategies. Forward-looking statements are subject to certain risks and uncertainties that are difficult to predict and which may lead to material differences between the actual results, position and performances, and the expected future results, position or performances implicitly or explicitly contained in said forward-looking statements. Factors that may cause actual results to differ from current expectations include but are not limited to macroeconomic, market and business trends and conditions, changes and developments in legislation, technology, taxes, jurisprudence and regulations, stock exchange fluctuations, legal claims, investigations by regulatory bodies, competition and general economic and/or political changes and other developments in countries and markets in which Accell Group operates. These and other factors, risks and uncertainties, which may have an effect on any forward-looking statement that could cause results to differ materially from those described in the forward looking statements, are described in Accell Group's annual report. The forward-looking statements contained in this document refer exclusively to statement from the date of this document and Accell Group does not accept any liability for or obligation to amend the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless Accell Group is under a legal obligation to do so.

# 4 CORPORATE GOVERNANCE



**Accell Group attaches great importance to good corporate governance. The Board of Management and the Supervisory Board are responsible for the corporate governance structure of Accell Group and for compliance with the Dutch Corporate Governance Code (the 'Code'). This section of the report describes Accell Group's corporate governance structure.**

## 4.1 GENERAL

Accell Group N.V. ("Accell Group" or "the Company") is a public limited liability Company (Naamloze Vennootschap) under Dutch law, that applies a two-tier board structure comprising a Board of Management, composed of managing directors, and a Supervisory Board, composed of supervisory directors. The Supervisory Board supervises the Board of Management and ensures that external experience and knowledge is embedded in the Company's conduct. The two boards are independent of each other and are ultimately accountable to the General Meeting of shareholders ("General Meeting"). Accell Group's corporate governance is laid down in the Company's articles of association and rules of the Board of Management and Supervisory Board, which can be found on our [website](#).

### BOARD OF MANAGEMENT

The Board of Management is charged with the day to day management and is responsible for the continuity of the Company and its affiliated enterprise, as well as for achieving its goals, objectives, strategy and results. The Board of Management is accountable to the Supervisory Board and the General Meeting. In the performance of its tasks, the Board of Management is guided by the long-term value creation of the Company and takes into account the stakeholder interests that are relevant in this context. The Board of Management determines the strategy for realising the long-term value creation of the Company and informs the Supervisory Board on the determination of this strategy in a timely manner. The Board of Management is also responsible for the identification and management of the risks associated with the Company's strategy and activities. To this end, Accell Group has an internal risk management and control system. For more detailed information, please see section [3.3 'Risk Management'](#) of this report.

Certain significant resolutions of the Board of Management require the approval of the Supervisory Board. These include resolutions on major investments, issuance of shares and the establishment and/or termination of long-term alliances with other companies. The General Meeting's approval is required for resolutions of the Board of Management that involve significant changes to the identity or character of the Company or its business.

On 24 April 2019, the General Meeting granted the Board of Management the authority to repurchase Accell Group shares. The authorisation was granted under the following conditions:

- the authorisation would be valid for 18 months (until 24 October 2020);
- the Supervisory Board's approval would be required for the acquisition of Accell Group shares;
- the number of shares would never exceed 10% of the issued share capital; and
- the acquisition price would never exceed 110% of the average share price on the preceding five trading days.

The agenda for the General Meeting of 22 April 2020 includes a proposal to again grant the Board of Management the authority to acquire Accell Group shares under the same conditions as those set out above, such for a period of 18 months. If that authorisation is granted, it will replace the authorisation granted by the General Meeting of 24 April 2019.

Resolutions on the issuance of shares are adopted by the General Meeting, insofar as and if it has not designated another corporate body. The pre-emptive rights can be limited or excluded by the corporate body authorised to adopt resolutions on the issuance of shares, provided that said authorisation is granted expressly to that corporate body. On 24 April 2019, a resolution of the General Meeting extended the period to 24 October 2020, during which the Board of Management is authorised, with the approval of the Supervisory Board, to:

- issue ordinary shares up to a maximum of 10% of the outstanding share capital, and
- limit or exclude pre-emptive rights upon the issuance of ordinary shares.

The agenda for the General Meeting of 22 April 2020 includes a proposal to renew this term to 22 October 2021. If that authorisation is granted, it will replace the authorisation granted by the General Meeting on 24 April 2019.

The Board of Management represents the Company insofar as the law does not stipulate otherwise. Each member of the Board of Management also has the authority to represent the Company.

The Supervisory Board determines the number of the members of the Board of Management, appoints members of the Board of Management and also has the power to suspend and dismiss members of the Board of Management. Before any dismissal will take place, the General Meeting will be consulted.

Pursuant to the Code, members of the Board of Management are appointed for a maximum term of four years, and their contract is an agreement of assignment (*overeenkomst van opdracht*). Their term of appointment ends after the conclusion of the first General Meeting, to be held in the fourth year after the year in which they were appointed. Members of the Board of Management can be re-appointed for a further four-year period.

The members of the Board of Management jointly manage the Company and are in principle jointly and severally liable for such management. Subject to the approval of the Supervisory Board, each member of the Board of Management may have its personal and primary responsibilities. The Board of Management currently has three members: T. (Ton) Anbeek (CEO), who was appointed by the Supervisory Board as Chairman of the Board of Management, R. (Ruben) Baldew (CFO) and J. (Jeroen) Both (CSCO).

The operation of the Board of Management is subject to rules of internal procedure of the Board of Management, outlining in detail on how the Board of Management operates and its relationship with the Supervisory Board, shareholders and the Works Council. These rules, which are approved by the Supervisory Board, can be found on the Company's website (under '[Corporate Governance](#)').

Based on a proposal prepared by the Selection and Remuneration Committee, the Supervisory Board determines the remuneration of the individual members of the Board of Management, with due observance of the remuneration policy adopted by the General Meeting in 2010. The main elements of the contracts with members of the Board of Management are published on the Company's website in accordance with the Code. Each year, the

Supervisory Board compiles a remuneration report, which contains an explanation of the remuneration of the individual members of the Board of Management.

At the General Meeting of 22 April 2020, the Supervisory Board will propose a new remuneration policy for the Board of Management. The proposed remuneration policy as well as the remuneration report 2019, are available via the website (under '[Corporate Governance/Remuneration](#)'). Pursuant to the new bill implementing the revised European Shareholder Rights directive the 2019 remuneration report of the Board of Management will be put on the agenda of the General Meeting for an advisory vote. The new remuneration policy will be proposed for adoption, for which a majority of at least 75% of the votes cast at the General Meeting is needed.

The Company does not provide any personal loans or guarantees to members of the Board of Management, managers or to other employees. Accell Group has the usual indemnity and insurance arrangements in relation to normal company business, and these arrangements cover members of the Supervisory Board, the Board of Management, managers and other employees.

## **SUPERVISORY BOARD**

The Supervisory Board supervises and advises the Board of Management on the performance of its management tasks and supervises the overall development of the Company. In the performance of its tasks, the Supervisory Board is guided by the interests of Accell Group and its affiliated enterprise and takes into account the stakeholder interests that are relevant in this context. The members of the Supervisory Board regularly discuss the long-term value creation strategy, its execution and the associated key risks, while paying specific attention to the effectiveness of the internal risk management and control systems and the integrity and quality of the Company's financial reporting. The Board of Management provides the Supervisory Board with all the information it requires to perform its tasks and does so in a timely manner.

In its periodic meetings with the Board of Management, the Supervisory Board discusses a number of subjects, including the general state of affairs, as well as financial reporting based on the operational plan for the year under review (half-yearly and annual reports, interim financial statements, balance sheets, income statements, cash flow statements and capital investments). The agenda also includes subjects such as major investments and/or divestments, management developments, human resources, the relationship with shareholders, the dividend proposal, the independent auditor's management letter and follow-up actions, setting the operational plan with the operational and financial goals for the next year and approval of the strategy at least every fifth year.

At least once a year, the Supervisory Board discusses the progress of the strategy and the principal risks connected to the business, the Board of Management's assessment of the organisation and operation of the internal risk management and control systems, as well as any significant changes to those systems.

The Supervisory Board has drawn up regulations, which include the distribution of its tasks and its operating methods. The regulations also include a section on its interaction with the Board of Management and the General Meeting. The current regulations were adopted by means of a resolution dated 4 March 2020. The regulations can be found on the Accell Group website (under '[Corporate Governance/Supervisory Board](#)').

The Supervisory Board is composed of at least three members. The General Meeting appoints the members of the Supervisory Board based on nominations drawn up by the Supervisory Board. The General Meeting can reject the nomination with an absolute majority of the votes cast, representing at least one-third of the issued share capital. If the nomination is rejected, the Supervisory Board shall draw up a new nomination. In the event that the General Meeting fails to appoint the nominee and also fails to reject the nomination, the Supervisory Board shall appoint said nominee. In the event of vacancies, the Supervisory Board announces the nominations simultaneously to the General Meeting and the Works Councils of Accell Nederland B.V., Accell IT Services B.V. and the Joint Works Council of Accell Operations B.V. and Accell Services B.V. The General Meeting and the Works Councils are entitled to

recommend nominees to the Supervisory Board for appointment as members of the Supervisory Board. The Supervisory Board will fill the nominations for one-third of the number of members of the Supervisory Board with persons recommended by the Works Councils, unless the Supervisory Board objects to said recommendation and provides grounds for the same.

A member of the Supervisory Board shall, in general, resign no later than on the day of the first General Meeting held four years after their appointment and immediately after the end of said meeting. A resigning member of the Supervisory Board may be reappointed immediately in accordance with the Company's articles of association and the internal regulations of the Supervisory Board.

The members of the Supervisory Board receive a remuneration to be determined by the General Meeting. Pursuant to the new bill implementing the revised European Shareholder Rights directive, a remuneration policy for the Supervisory Board will be proposed at the General Meeting of 22 April 2020. That Remuneration Policy will be proposed for adoption (voting item). A majority of at least 75% of the votes cast at the General Meeting is needed to adopt the Remuneration Policy. The remuneration report 2020 of the Supervisory Board will be put on the agenda of the General Meeting in 2021 for an advisory vote.

The Supervisory Board has drawn up a retirement schedule, which is published on the Accell Group website (under ['Corporate Governance/Supervisory Board'](#)).

As from 1 January 2020 onwards, the Supervisory Board again consists of four members and has appointed two committees from its midst, each with two members. The Audit Committee comprises Ms. D. (Daniëlle) Jansen Heijtmajer (chair) and Mr. G. (Gert) van de Weerdhof. The Selection/Remuneration Committee comprises Mr. P.B. (Peter) Ernsting (chairman) and Mr. R. (Rob) ter Haar.

These committees are tasked with preparatory activities as part of the decision-making process of the Supervisory Board. By means of a resolution dated 4 March 2020, the Supervisory Board established revised regulations for the audit committee and the selection/remuneration committee. These regulations can be found on the website (under ['Corporate Governance/Supervisory Board'](#)). It is the task of the committees to support and advise the Supervisory Board concerning the items that are under the committees' responsibility and to prepare the Supervisory Board's decisions regarding those items. The Supervisory Board as corporate body remains responsible for how it performs its tasks and for the preparatory work carried out by the committees. The committees submit reports on all their meetings to the Supervisory Board.

The Supervisory Board has drawn up a profile of its size and composition, taking into account the nature, size and operations of Accell Group and the desired expertise and background of the members of the Supervisory Board. The profile was most recently established by means of a Supervisory Board resolution dated 21 July 2011 and is available on the Accell Group website (under ['Corporate Governance/Supervisory Board'](#)). The Supervisory Board has appointed from its midst a chair and a vice chair, and is assisted by a Company Secretary. The Supervisory Board aims to align the experience and expertise of its members effectively with the nature, activities and strategy of Accell Group. The Supervisory Board's composition is such that the members can operate independently and critically, vis-à-vis each other, the Board of Management and any Company interest whatsoever. The Company is responsible for an introduction programme for persons appointed to the Supervisory Board.

#### **COMPOSITION BOARD OF MANAGEMENT AND SUPERVISORY BOARD**

The Board of Management and Supervisory Board are composed in such a way that the required expertise, background, and competencies are independently represented to ensure it can fulfil its tasks effectively. With respect to the distribution of seats on the Board of Management and Supervisory Board, the Supervisory Board strives for diversity in terms of education, professional experience, age and gender. The appointments to the Supervisory Board and the Board of Management in 2018 increased the diversity of both bodies. However, despite

the steps taken the current composition is not yet sufficiently balanced. In 2020, the Company will launch a diversity policy followed by a programme, with the aim of working towards an improvement in the diversity of the broader Accell organisation and a more balanced composition of these bodies in future appointments.

## **GENERAL MEETING**

Key powers, such as powers regarding resolutions to amend the articles of association, substantial legal mergers and/or spin-offs that change the character of the Company, and the adoption of the annual accounts, reside with the General Meeting. In addition, the General Meeting adopts the remuneration policy for the members of the Board of Management and Supervisory Board and sets the remuneration for the Supervisory Board. The dividend policy and discharge of the Board of Management and Supervisory Board are also regular items on the agenda of the General Meeting. Reports on shareholders' meetings are provided to the shareholders, as stipulated in the Code. Within 15 calendar days after each General Meeting, the results of the votes per agenda item are published on the Company's website. A General Meeting is convened at least once a year and is chaired by the chairman of the Supervisory Board.

Accell considers it important that as many shareholders as possible participate in the decision-making processes of the General Meeting and those entitled to vote are therefore given the opportunity to appoint proxies or to extend voting instructions ahead of the General Meeting. The engagement of many shareholders, participation in the decision-making process and the level of attendance at the General Meetings in recent years ensure that the corporate governance system operates effectively. At the General Meeting held on 24 April 2019, 69.3% of the total number of issued shares was either present or represented.

## **FINANCIAL REPORTING, THE EXTERNAL AND THE INTERNAL AUDITOR**

The Board of Management is responsible for the quality and completeness of the financial reports that are published. Before being presented to the General Meeting for adoption, annual financial statements as prepared by the Board of Management must be examined by an external certified public auditor.

The General Meeting has the authority to appoint the external independent auditor. The Supervisory Board nominates the auditor for (re-)appointment by the General Meeting once a year, taking into account the advice of the Audit Committee, while giving due consideration to the Board of Management's considerations. The external auditor attends all Audit Committee meetings and the meetings of the Supervisory Board in which the annual financial statements are to be approved and in which the year-end report of the external auditor is discussed. Prior to publication, the external independent auditor reports its findings related to the audit of the annual accounts simultaneously to the Board of Management and the Supervisory Board and records the results of its findings in a statement. During the General Meeting, the external auditor will be present and may be questioned about its statement regarding the true and fair nature of the annual accounts.

KPMG Accountants N.V. has been nominated and appointed as the external independent auditor for Accell Group since 2016. The Supervisory Board has put forward KPMG Accountants N.V. for reappointment as external auditor for the financial years 2020 and 2021 on the agenda for the General Meeting of 22 April 2020.

Accell Group has an internal audit function, which operates under the responsibility of the Board of Management, with lines to the CEO, CFO, and the Audit Committee. The role of the internal audit function is to assess the design and the operation of the internal risk management and control systems. The scope of work of the internal audit function is regulated in an Internal Audit Charter. In line with the Code, both the appointment and dismissal of the Head of Internal Audit shall be submitted to the full Supervisory Board for approval, with a recommendation issued by the Audit Committee. In line with the Code, the Board of Management and the Audit Committee are involved in the preparation and approval of the annual internal audit plan. The annual internal audit plan is submitted to the Board of Management and Supervisory Board for approval. Internal Audit reports are discussed with the Audit Committee in the presence of the external auditor.

## **TAX POLICY**

Accell Group operates in compliance with all relevant laws and regulations. Tax payments Accell Group makes are largely related to corporate income tax, turnover tax, payroll taxes and social security premiums. Accell Group's guiding principle is to pay taxes in the various countries in proportion to the operating results realised in the country in question.

Internal transactions are settled based on the 'at arm's length' principle. Periodically, Accell Group has consultations with the Dutch tax authorities, during which they discuss important fiscal aspects and developments. If necessary, Accell Group discusses important fiscal aspects with the tax authorities in advance.

## **CODES OF CONDUCT**

The Board of Management established a new internal code of conduct in 2018. This Code of Conduct incorporates the desired conduct expected of everyone within Accell Group every day. The Code of Conduct also includes instructions and recommendations on how employees should conduct themselves in certain specific situations. The full text of the internal code of conduct is available on the Accell Group website (under '[Corporate Governance](#)').

Accell Group has laid down its requirements for suppliers and other parties involved in the production and sourcing process in a separate code of conduct. These requirements relate to issues including the prohibition of child labour, involuntary labour and discrimination, safety requirements, environmental requirements and labour conditions. The code of conduct for suppliers is available on the Accell Group website (under '[Corporate Governance](#)').

## **WHISTLE-BLOWER REGULATIONS**

The Board of Management has established whistle-blower regulations, an internal compliance committee and an internal investigation procedure; in early 2020, a whistle-blower line operated by an external professional party will become operational, so employees can (anonymously) report alleged irregularities without harming their legal position. Relevant documents can be found on the Accell Group website (under '[Corporate Governance](#)').

## **INSIDER TRADING REGULATION**

The Insider Trading Regulation established by the Board of Management aims to provide rules to support the legal provisions aimed at preventing insider trading. The basic premise of the Insider Trading Regulation is that people should not conduct or recommend transactions in Accell Group shares and other Accell Group financial instruments if they are in possession of inside information, such in accordance with Regulation (EU) no. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse (Market Abuse Regulation).

Pursuant to the Insider Trading Regulation, persons with a reporting obligation (including members of the Board of Management and the Supervisory Board) and the so-called designated persons at Accell Group are subject to various closed trading periods, announced by the Compliance Officer, in which they are not allowed to conduct any transactions, regardless of whether they are in possession of inside information or not. In line with the Insider Trading Regulation, persons with a reporting obligation and designated persons must report any transactions they have executed to the Compliance Officer. Those with a reporting obligation must also report their transactions to the Dutch Financial Markets Authority (AFM).

On 12 December 2014, the Supervisory Board established a regulation that includes several provisions related to the possession of and transactions in securities by members of the Board of Management and of the Supervisory Board, other than those issued by their 'own' Company. This is the regulation as referred to in the last sentence of best practice provision 2.7.2 of the Code.

## **TRANSACTIONS INVOLVING POTENTIAL CONFLICTS OF INTERESTS**

Any form of appearance or conflicting interests between the Company and members of the Board of Management and/or Supervisory Board members must be avoided. Decisions to enter into transactions that might lead to a conflict of interest on the part of a member of the Board of Management and that are of material importance to the

Company and/or the member of the Board of Management in question must be approved by the Supervisory Board.

In the financial year 2019, there were no transactions involving a conflict of interest with members of the Board of Management or the Supervisory Board or with majority shareholders as provided for in best practice provisions 2.7.4 and 2.7.5 of the Code. The regulations for the Supervisory Board include rules on how to deal with (potential) conflicts of interest involving members of the Board of Management or the Supervisory Board and the external auditor in relation to Accell Group and stipulate which transactions require the approval of the Supervisory Board.

#### **ANTI-TAKEOVER MEASURES**

The Supervisory Board will be involved closely and in a timely fashion in the process concerning any offer for shares in the Company, and the Board of Management and the Supervisory Board will immediately discuss any request from a competing third-party bidder to examine Company information.

As regards the protective provisions against undesirable developments that might affect the independence, continuity and/or identity of the Accell group of companies, the Company has the possibility of issuing cumulative preference shares B. A call option has been issued to the Stichting Preferente Aandelen Accell Group for those cumulative preference shares B.

For more detailed information regarding anti-takeover measures we refer to section [4.2 Stichting Preferente Aandelen Accell Group](#).

## **4.2 STICHTING PREFERENTE AANDELEN ACCELL GROUP**

The Stichting Preferente Aandelen Accell Group (the Accell Group preference share trust) has its registered office in Heerenveen and its goal is to protect the interests of Accell Group NV, hereinafter also referred to as the Company, and its associated enterprise, including the enterprises carried out by the Companies with which it is affiliated in a group and all parties involved in the same. In the performance of this task, Stichting Preferente Aandelen Accell Group shall do its utmost to safeguard the interests of Accell Group and its associated enterprise and all parties involved in the same, while at the same time doing its utmost to resist any influences that may affect the independence and/or the continuity and/or the identity of the Company and its associated enterprise in conflict with those interests.

To protect the continuity of (the strategy of) Accell Group and its stakeholders, Accell Group NV entered into an option agreement with Stichting Preferente Aandelen Accell Group in May 2015. This agreement replaced the previous option agreement dating from December 1998, which was later amended in 2009.

Pursuant to the option agreement, Stichting Preferente Aandelen Accell Group shall have the right at any time to acquire such a number of cumulative preference shares B as are required to make Stichting Preferente Aandelen Accell Group, after the acquisition of said shares, the holder of one half, less one share of the (increased) issued share capital (following the issue of shares). Stichting Preferente Aandelen Accell Group can exercise this right at any time – partially or entirely up to the aforementioned maximum – in the event that it believes there is a threat to the independence and/or the identity and/or the continuity of (the strategy of) the Company, the associated enterprise and any parties involved in the same.

The option can be exercised, among other things, to (1) prevent or delay (the threat of) a public bid on the shares in the share capital of the Company that is deemed hostile, and/or (2) to prevent or oppose an unwanted concentration of voting rights in the General Meeting of Shareholders, and/or (3) to resist any unwanted influence or pressure from shareholders who wish to change the strategy of the Board of Management.

In these cases, the issuance of cumulative preference shares B enables the Company and its Board of Management and Supervisory Board to determine their standpoint vis-a-vis the bidder/hostile shareholder and any plans they may have, to investigate alternatives and to defend the interests of the Company and those of its stakeholders.

Within six months after any issue of cumulative preference shares B, the Board of Management shall convene a General Meeting of Shareholders to inform the shareholders regarding the current status and discuss the same with said shareholders.

Pursuant to article 2:346 section 1 sub e of the Dutch Civil Code, the Company has granted the Stichting Preferente Aandelen Accell Group the authority to submit a written request to the Enterprise Chamber of the Amsterdam Court of Appeal to initiate an inquiry into the policy and the general affairs of the Company, within the meaning of article 2:345 of the Dutch Civil Code.

The board of Stichting Preferente Aandelen Accell Group comprises three members, namely Mr. M.P. (Marco) Nieuwe Weme (Chairman), Mr. B. (Bart) van der Meer, and Mr. A.J.M. (Naud) van der Ven.

In the opinion of the Company and in the opinion of Stichting Preferente Aandelen Accell Group, Stichting Preferente Aandelen Accell Group is independent from the Company within the meaning of article 5:71 section 1 sub c of the Dutch Financial Supervision Act (Wft).

Members can consult the website of Stichting Preferente Aandelen Accell Group via:  
[www.stichtingpreferenteaandelenaccellgroup.com](http://www.stichtingpreferenteaandelenaccellgroup.com).

## 4.3 COMPLIANCE WITH THE CODE

**At the end of 2019, we made an assessment of Accell Group's compliance with the Code. Actions were taken to optimise and safeguard the compliance with the best practices, by updating the charters, policies and organising an annual calendar with topics for Board of Management and Supervisory Board meetings. This has resulted that Accell Group fully applies and complies with the principles and best practices of the Code (insofar as these are applicable to the Company) except for the following one exception:**

### **Best practice provisions 2.1.5 and 2.1.6**

These best practice provisions describe the existence of a diversity policy, as well as accountability on diversity. Although Accell Group acknowledges the benefits of diversity and made steps in this respect in 2018 with fulfilling the vacancies in the Board of Management and Supervisory Board, the effects are still limited. Therefore early 2020 an internal taskforce was formed and a diversity policy has been approved by the Board of Management. The taskforce has been asked to prepare a diversity program for Accell Group to be launched ultimately mid-2020.

### **Decree article 10 of the Takeover Directive**

The following is an overview of the information required under article 1 of the Decree on article 10 of the Takeover Directive:

- The Company's authorised share capital amounts to € 1,200,000 divided into 120,000,000 shares with a nominal value of € 0.01 each, divided into 55,000,000 ordinary shares, 5,000,000 cumulative preference shares F, and 60,000,000 cumulative preference shares B. As of 5 March 2020, the issued and paid-up capital of Accell Group amounted to € 268,027.51 divided into 26,802,751 ordinary shares with a nominal value of € 0.01 each. Only ordinary shares have been issued. The ordinary shares are traded on the Euronext Amsterdam stock exchange.

- The following rights attached to the shares into which the Company's capital is divided follow from the articles of association and the Dutch Civil Code. There is no difference in the voting rights attached to an ordinary share, a cumulative preference share F and a cumulative preference share B. As all shares have the same nominal value (€ 0.01), every issued and outstanding share of a class gives the right to cast one (1) vote in the General Meeting and to cast one (1) vote in the meeting of holders of that specific class. Ordinary shares and cumulative preference shares F may only be issued against payment in full. Preference shares B may be issued against partial payment. Holders of ordinary shares and holders of cumulative preference shares F do have a pre-emptive right in respect of new ordinary shares and new cumulative preference shares F to be issued, unless restricted or excluded pursuant to a resolution of the competent corporate body. Holders of ordinary shares and holders of cumulative preference shares F do not have a pre-emptive right in respect of new cumulative preference shares B to be issued. Holders of preference shares B do not have a pre-emptive right in respect of shares to be issued. The relevant financial rights attached to the shares concerns the application of the profits in relation to the classes of cumulative preference shares (if issued). These rights follow from article 25 of the articles of association.

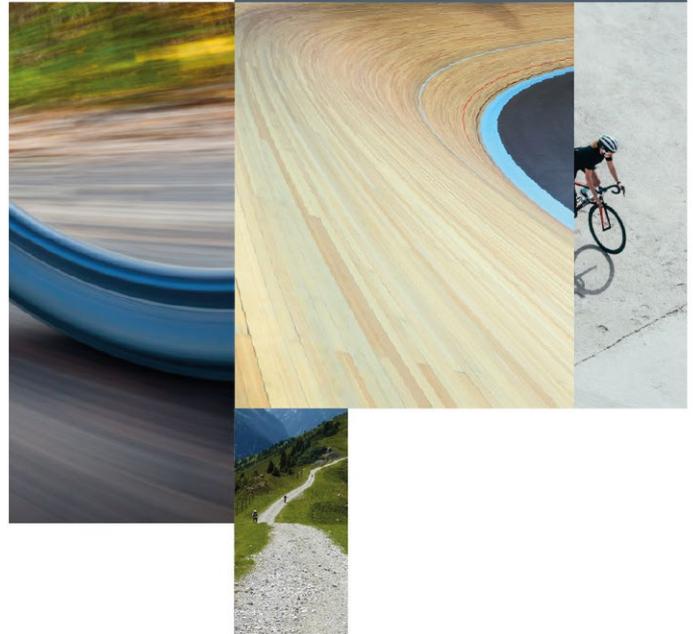
A brief summary of that article will be given:

- From the profit realised in any financial year (and if there are not enough profits as far as possible from the distributable reserves), an amount will first be distributed on the cumulative preference shares B. That amount will be 3.5% of the average of the refinancing interest determined by the European Central Bank. A dividend (and if there are not enough profits, as much as possible from the distributable reserves) will be distributed on the cumulative preference shares F of a certain series, related to the arithmetic average of the effective return on government loans. Subsequently, the Board of Management shall determine with the approval of the Supervisory Board what part of the profit will be added to the reserves. The part of the profit that remains thereafter is at the disposal of the General Meeting, subject to the provision that no further dividends have to be distributed on the cumulative preference shares B and F.
- The Company has no statutory or contractual limitation on the transfer of shares, with the exception of the statutory blocking provision with respect to the transfer of cumulative preference shares F. According to the articles of association, the transfer of cumulative preference shares F requires the approval of the Board of Management.
- An overview of substantial interests in the equity of Accell Group, which have at the time of preparing this management report been reported under the provisions concerning the reporting of controlling interests under the disclosure of the Dutch Financial Supervision Act (Wft), is included in section [1.4 The Share](#).
- The Company has not issued any shares with special controlling rights.
- Accell Group does not have a monitoring mechanism for an employee share scheme.
- There are no limitations or terms on the execution of the voting rights attached to ordinary shares.
- There are no depositary receipts for shares issued with the cooperation of the Company.
- The Company is not aware of any agreements involving a shareholder of the Company that may limit the transfer of shares or that may limit the voting rights.
- The General Meeting appoints the members of the Supervisory Board, based on a recommendation from the Supervisory Board. The Supervisory Board appoints the members of the Board of Management. A more detailed explanation of the appointment and dismissal of members of the Board of Management and the Supervisory Board can be found in the articles of association of the Company. Resolutions to amend the articles of association and to dissolve the Company may only be adopted by the General Meeting pursuant to a proposal of the Board of Management and subject to approval of the Supervisory Board. Resolutions of the General Meeting to amend the articles of association and to dissolve the Company may be taken with a majority of the votes cast, but if less than half of the issued capital is represented the resolutions have to be taken with a majority of at least two-thirds of the votes cast.

- Resolutions on the issuance of shares are adopted by the General Meeting, insofar as and if it has not designated another corporate body. The pre-emptive rights can be limited or excluded by the corporate body authorised to adopt resolutions on the issuance of shares, provided that said authorisation is granted expressly to that corporate body. On 24 April 2019, a resolution of the General Meeting extended to 24 October 2020 the period during which the Board of Management is authorised, with the approval of the Supervisory Board, to: (i) issue ordinary shares up to a maximum of 10% of the outstanding share capital, and (ii) limit or exclude pre-emptive rights upon the issuance of ordinary shares. See also section [4.1](#) of this report.
- On 24 April 2019, the General Meeting granted the Board of Management the authority to repurchase Accell Group shares. The authorisation was granted under the following conditions: (i) the authorisation would be valid for 18 months (until 24 October 2020), (ii) the Supervisory Board's approval would be required for the acquisition of Accell Group shares, (iii) the number of shares would not exceed 10% of the issued share capital and (iv) the acquisition price would not exceed 110% of the average share price on the preceding five trading days. See also section [4.1](#) of this report.
- A number of agreements between the Company and its lenders include the provision that the lenders have the right to terminate the agreements and to reclaim the loans issued prematurely in the event of a substantial change in the control over the Company following a public bid as meant in article 5:70 of the Dutch Financial Supervision Act (Wft).
- The Company is not aware of any agreements with members of the Board of Management or employees that provide for a payment in the event that the employment is terminated following a public bid as meant in article 5:70 of the Dutch Financial Supervision Act (Wft).

# ANNUAL REPORT

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