



## THE SELECTION AND APPOINTMENT COMMITTEE OF RONSON EUROPE N.V. TERMS OF REFERENCE

Ronson Europe N.V. (the "**Company**") has adopted a two-tier board structure, consisting of a management board (the "**Management Board**") and a supervisory board (the "**Supervisory Board**").

Pursuant to Principle III.5 of the Dutch Corporate Governance Code (the "**Dutch Code**") and Best Practice provisions III.5.1-III.5.13, if the Supervisory Board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. In compliance with such requirement, the Supervisory Board resolved to install a selection and appointment committee of the Supervisory Board (the "**Selection and Appointment Committee**"), by a written resolution of the Supervisory Board dated 2 November 2007.

In addition to the above, and noting that the Company has been admitted to trading on the Warsaw Stock Exchange, the Supervisory Board considered the provisions of the Corporate Governance Code for Polish Listed Companies (the "**Polish Code**").

The Supervisory Board believes that the terms of the Polish Code substantially mirror the spirit of the Dutch Code.

Please find below the rules (the "**Selection and Appointment Committee Rules**") governing the Selection and Appointment Committee, as adopted by the Supervisory Board during the above referenced meeting, which rules were prepared on the basis of the Dutch Code.

### 1. RESPONSIBILITIES

1.1. The responsibilities of the Selection and Appointment Committee shall include:

- 1.1.1. drawing up the selection criteria and appointment procedures for the members of the Supervisory Board and the Management Board;
- 1.1.2. periodically assessing the size and composition of the Supervisory Board and Management Board, and proposing the profile of members of the Supervisory Board in relation thereto together with any recommendations for changes should the need arise. In particular, before the appointment of a new member of the Supervisory Board or the Management Board is made, the Selection and Appointment Committee shall evaluate the balance of skills, knowledge and experience on the Supervisory Board or Management Board and, considering the results of such evaluation, prepare a description of the role and capabilities required for a particular appointment;
- 1.1.3. periodically evaluating the functioning of individual members of the Supervisory Board and the Management Board and reporting the results thereof to the members of the Supervisory Board;
- 1.1.4. identifying and nominating the (re-)appointments of members of the Supervisory Board and the Management Board, except that the appointment of the chairman of the Supervisory Board and

the chairman of the Management Board shall be matters reserved for consideration by the Supervisory Board;

- 1.1.5. reviewing, on an annual basis, the time required from each member of the Supervisory Board and assess whether each such member of the Supervisory Board is spending enough time to fulfill its duties;
  - 1.1.6. considering candidates from a wide range of backgrounds;
  - 1.1.7. giving full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Supervisory Board and the Management Board, and regularly reporting the results thereof to the Supervisory Board;
  - 1.1.8. keeping under review the leadership needs of the organisation, both of the Supervisory Board and the Management Board, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace; and
  - 1.1.9. supervising the policy of the Management Board in relation to the selection and appointment criteria for senior management.
- 1.2. The Selection and Appointment Committee shall prepare and publish an annual report of its deliberations and findings, which report shall include a description of activities and the process used for appointments and explain whether or not external advice or open advertising has been used, as well as the membership of the Selection and Appointment Committee, the number of committee meetings and attendance over the course of the year.
  - 1.3. The Selection and Appointment Committee shall ensure that on appointment to the Supervisory Board, members of the Supervisory Board receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside of meetings of the Supervisory Board (if any).
  - 1.4. The Selection and Appointment Committee shall also consider and make recommendations to the Supervisory Board on any matter relating to the continuation in office of any member of the Supervisory Board and the Management Board at any time.

## **2. COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE SELECTION AND APPOINTMENT COMMITTEE**

- 2.1. The Selection and Appointment Committee shall consist of three members, consisting of Mark Segall (Chairman) and Uri Dori and Thierry Leleu.
- 2.2. The following requirements must be observed with respect to the composition of the Selection and Appointment Committee:
  - 2.2.1. at least two of the three members shall be independent;<sup>1</sup> and
  - 2.2.2. not more than one member shall be a member of the management board of another listed Dutch company.

## **3. COMMITTEE MEETINGS (AGENDA, ATTENDANCE, MINUTES)**

- 3.1. The Selection and Appointment Committee shall hold at least two (2) meetings per year and whenever one or more of its members request a meeting. Selection and Appointment Committee meetings are generally held at the offices of the Company, but may also take place elsewhere.

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<sup>1</sup> as defined in the Dutch Corporate Governance Code, and as of the moment the Supervisory Board has at least two independent members.

- 3.2. Members of the Management Board shall not be invited to participate in the meetings of the Selection and Appointment Committee, unless the Selection and Appointment Committee determines otherwise.
- 3.3. Selection and Appointment Committee meetings shall be convened by the member(s) requesting the meeting. Whenever practicable, notices convening a meeting and the agenda of items to be considered and discussed during the meeting shall be dispatched seven business days prior to the meeting and sent to each member of the Selection and Appointment Committee.
- 3.4. Minutes of the meeting shall be prepared by the secretary of the meeting. These minutes shall generally be adopted in the next meeting of the Selection and Appointment Committee. If all members of the committee agree on the contents of the minutes, the minutes may also be adopted earlier. The minutes shall be signed for adoption by the Chairman of the Selection and Appointment Committee, and shall be dispatched to all members of the Supervisory Board as soon as practicable.

#### **4. AUTHORITY**

- 4.1. The Selection and Appointment Committee is authorised:
  - 4.1.1. to seek any information it requires, from any employee of the Company, in order to perform its duties;
  - 4.1.2. to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
  - 4.1.3. to call any employee to be questioned at a meeting of the Selection and Appointment Committee as and when required.

#### **5. PUBLICATION OF RULES**

- 5.1. These Selection and Appointment Committee Rules shall be made available on the Company's website and will be updated annually.