



March 2010

TKH Regulations 2010 on the holding of and effecting transactions in Shares and certain other Financial Instruments for TKH Executive Board Members, TKH Supervisory Board Members and TKH Managing Directors



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Annex A

Annex B



The Executive Board of TKH Group N.V. (hereinafter 'TKH') with its corporate seat in Haaksbergen, having obtained the Supervisory Board's approval, has adopted as per 9 March 2010 the following Regulations on the holding of and effecting transactions in Shares and certain other Financial Instruments relating to TKH and affiliated issuing institutions:

Recitals

- The TKH Regulations have been adopted in compliance with Section 5:65 of the FMSA.
- The TKH Regulations are also intended to promote that TKH Employees act, with regard to the Financial Instruments that they hold, in accordance with the law, including the FMSA, and the codes applicable to the Company, including the Dutch Corporate Governance Code, and to limit the risk that the good reputation of the Company and the integrity of its business is harmed as a result of undesirable transactions in Financial Instruments.

Chapter I Introduction

Article 1 Definitions

In the TKH Regulations capitalised terms shall have the meanings set out in **Annex A** to the TKH Regulations.

Article 2 Scope

1. The TKH Regulations contain the regulations on the holding of and effecting transactions in TKH Financial Instruments, Affiliated Financial Instruments, and Other Financial Instruments by TKH Employees.
2. The TKH Regulations shall apply to all TKH Employees, unless the TKH Regulations provide otherwise. The TKH Regulations shall apply to TKH Employees irrespective of the capacity in which they Execute Transactions and shall also apply if the TKH Employee in question Executes a Transaction for another person's account or as another person's representative.
3. The following persons shall be subject to the following Chapters of the TKH Regulations:

X Executive Directors	Chapters I - IV and VIII.
X Supervisory Directors	Chapters I - III, V, and VIII
X Managing Directors	Chapters I - III, VI and VIII



Article 3 Statutory prohibitions and notification obligations

The provisions of the TKH Regulations shall be without prejudice to the prohibitions of the FMSA, including those with regard to market manipulation, and the generally applicable notification obligations of the FMSA.

Chapter II General prohibitions applicable to all TKH Executive Board Members, TKH Supervisory Board Members, and TKH Managing Directors

Article 4 Prohibitions against executing transactions in relation to TKH Financial Instruments

1. Every TKH Executive Board Member, TKH Supervisory Board Member, and TKH Managing Director shall be prohibited from:
 - a. making use of Inside Information by Executing Transactions in TKH Financial Instruments to which the Inside Information relates;
 - b. making use of Inside Information by trying to Execute Transactions in TKH Financial Instruments to which the Inside Information relates;
 - c. Executing Transactions in TKH Financial Instruments during a Closed Period, irrespective of whether the TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director is thereby using Inside Information;
 - d. Executing Transactions in TKH Financial Instruments during a period – not being a Closed Period – in which the TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director has been prohibited from doing so by the Central Officer pursuant to paragraph 2; and
 - e. Executing a Transaction in TKH Financial Instruments and within six months thereafter Executing another Transaction in TKH Financial Instruments, if the other Transaction is the opposite of the first Transaction or has the effect of undoing or limiting the risk of the first Transaction, with the proviso that this prohibition does not apply if the first Transaction is the exercise of an option granted by the Company and the second Transaction is the sale of the TKH Financial Instruments acquired by the exercise of the option, without prejudice, however, to the provisions of paragraph 4 under b.
2. The Central Officer may prohibit TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director from Executing Transactions in TKH Financial Instruments during a period outside the Closed Period to be determined by the Central Officer.
3. The prohibitions contained in paragraph 1 (except for the prohibition set out in paragraph 1 subparagraph b) shall not apply to the Execution of Transactions in the discharge of a due and payable obligation existing at the time that the TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director acquired Inside Information (e.g. an obligation to dispose of or acquire TKH Financial

- Instruments arising from an agreement concluded before the Inside Information was acquired).
4. In addition, the prohibitions contained in paragraph 1 (except for the prohibition set out in paragraph 1 subparagraph b) shall not apply to:
 - a. the acceptance in connection with an employee participation plan of TKH Financial Instruments, if a consistent course of action is followed with regard to the conditions and periodicity of the plan;
 - b. the exercise of options, the conversion of convertible bonds, or the exercise of warrants or similar rights to (depository receipts for) shares in the Company's capital in connection with an employee participation plan, on the expiry date of such right or within a period of five business days prior thereto, as well as the sale within that period of (depository receipts for) shares in the Company's capital acquired by the exercise of such rights, provided that in the latter case the TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director has notified the Company in writing at least four months prior to the expiry date of its intention to sell or has granted the Company an irrevocable power of attorney;
 - c. the sale of TKH Financial Instruments granted in connection with an employee participation plan as referred to in subparagraph a., immediately after sale is first permitted pursuant to the conditions of grant, with the party concerned immediately utilising the proceeds from the sale to pay a tax obligation arising in connection with the grant;
 - d. the acquisition of shares or depository receipts for shares in the Company's capital as payment of dividend, other than in the form of optional dividend; and
 - e. other transactions excluded by or under the law.
 5. The prohibitions contained in paragraph 1 and any possible exceptions thereto shall continue to have effect during a period of six months after the relevant TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director has ceased to occupy that capacity.

Article 5 Prohibitions against executing transactions in relation to Affiliated Financial Instruments

The provisions of Article 4 shall apply equally to Affiliated Financial Instruments.

Article 6 Prohibition against disclosure; prohibition against making recommendations

Every TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director shall be prohibited from:

- a. disclosing Inside Information to a third party, unless the disclosure is made in the normal course of the exercise of his or her duties and the recipient of the Inside Information has an obligation of confidentiality, irrespective of whether this is based on law or regulation, provisions in articles of association, or an agreement; and



- b. recommending to a third party the Execution of Transactions in Financial Instruments to which his or her Inside Information relates or inciting a third party thereto.

Chapter III Notification obligations applicable to all TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director

Article 7 Notification obligations pursuant to Part 5 of the FMSA¹

1. Every TKH Executive Board Member and TKH Supervisory Board Member shall, by completing the requisite form:
 - a. immediately notify the AFM of any change in the number of Shares and Votes he or she holds in the Company and the Affiliated Issuing Institutions (unless this has already been notified pursuant to other applicable provisions of Chapter 5.3 of the FMSA);
 - b. notify the AFM no later than on the fifth business day after the Transaction Date of Transactions Executed for his or her own account in (depository receipts for) shares in the Company's capital or in financial instruments whose value is partly determined by the value of those (depository receipts for) shares (unless this has already been notified pursuant to paragraph 1 subparagraph a);
 - c. if another public company under Dutch law becomes an Affiliated Issuing Institution, immediately notify the AFM of the number of Shares and Votes he or she holds in the Affiliated Institution (unless this has already been notified pursuant to other applicable provisions of Chapter 5.3 of the FMSA); and
 - d. notify the AFM within two weeks of his or her appointment as TKH Executive Board Member or TKH Supervisory Board Member of the number of Shares and Votes which he or she holds in the Company and the Affiliated Issuing Institutions.
2. The provisions of paragraph 1 subparagraph b shall apply mutatis mutandis to every TKH Managing Director.
3. The notification obligation set out in paragraph 1 subparagraph b and paragraph 2 shall not apply to Transactions Executed or brought about by a financial firm permitted under the FMSA to manage private portfolios pursuant to a written mandate which provides that the TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director, as principal, cannot exercise any influence on Transactions Executed or brought about by the financial firm pursuant to the mandate. Each TKH Executive Board Member, TKH Supervisory Board Member, and TKH Managing Director is required to provide the Central Officer with a copy of the written mandate

¹ Please note that the notification obligation in paragraph 1b has been inserted pursuant to article 5:60 FMSA and the notification obligations in paragraph 1 a, c and d have been inserted pursuant to 5:48 FMSA.

- referred to in the previous sentence and to inform the Central Officer in writing of any amendment to this written mandate.
4. The notification referred to in paragraph 1 subparagraph b and paragraph 2 may be deferred until the moment that the Transactions Executed in the relevant calendar year by the TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director:
 - a. for his or her own account have reached a total amount of EUR 5,000, or
 - b. for his or her own account and by Persons Affiliated with him or her for their own account have collectively reached a total amount of EUR 5,000.
 5. A TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director, may instruct the Central Officer to make the notification referred to in this Article to the AFM on his or her behalf. The instructions shall be given in writing. The Central Officer must receive the instructions before 13:00 on the business day prior to the final day for notification to the AFM. The instructions shall be accompanied by all details to be notified to the AFM. The TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director himself or herself shall at all times remain responsible for the notification to the AFM.
 6. Every TKH Executive Board Member, TKH Supervisory Board Member and TKH Managing Director is obliged to ask preventive approval to the Central Officer and shall notify the Central Officer without delay of any Transaction in TKH Financial Instruments or Affiliated Financial Instruments Executed by him or her.
 7. Every TKH Executive Board Member, TKH Supervisory Board Member or TKH Managing Director must inform the Persons Affiliated with him or her of their notification obligation as set out in Article 15 of the TKH Regulations.

Chapter IV Specific provisions with regard to TKH Executive Board Members

Article 8 Freedom of investment; long-term investment in TKH Financial Instruments

1. Unless the provisions in and under the TKH Regulations provide otherwise, every TKH Executive Board Member shall have freedom of investment in shares and certain other financial instruments.
2. Any holding of TKH Financial Instruments by a TKH Executive Board Member shall always be for long-term investment purposes.

Article 9 Prohibitions with regard to options

1. The Company may grant options on X Financial Instruments to TKH Executive Board Members in accordance with option schemes approved by the Company's general meeting of shareholders. Every TKH Executive Board Member shall accept and exercise such options in accordance with the applicable regulations.
2. TKH Executive Board Members shall be prohibited from:



- a. buying or writing options on TKH Financial Instruments, with the exception of options granted by the Company as part of an option plan as referred to in paragraph 1; and
- b. buying or writing options on Affiliated Financial Instruments, with the exception of options granted by the Affiliated Issuing Institution as part of an option plan.

Chapter V Specific provisions with regard to TKH Supervisory Board Members

Article 10 Freedom of investment; long-term investment in TKH Financial Instruments

1. Unless the provisions in and under the X Regulations provide otherwise, Supervisory Board Members shall have freedom of investment in shares and certain other financial instruments.
2. Any holding of TKH Financial Instruments by a TKH Supervisory Board Member shall always be for long-term investment purposes.

Article 11 Prohibitions with regard to options

1. The Company shall not grant options on X Financial Instruments to TKH Supervisory Board Members. A TKH Supervisory Board Member who received options as an TKH Executive Board member before he became a TKH Supervisory Board Member shall exercise these in accordance with the applicable regulations.
2. TKH Supervisory Board Members shall be prohibited from:
 - a. buying or writing options on X Financial Instruments; and
 - b. buying or writing options on Affiliated Financial Instruments.

Chapter VI Specific provisions with regard to TKH Managing Directors

Article 12 Prohibitions with regard to options

1. The Company may grant options on TKH Financial Instruments to TKH Managing Director. Every TKH Managing Director shall accept and exercise such options in accordance with the applicable regulations.
2. TKH Managing Directors shall be prohibited from:
 - a. buying or writing options on TKH Financial Instruments, with the exception of options granted by the Company as part of the regulations referred to in paragraph 1; and
 - b. buying or writing options on Affiliated Financial Instruments, with the exception of options granted by the Affiliated Issuing Institution as part of an option plan.



Article 13 Notification obligations pursuant to Chapter 5.3 FMSA

TKH Managing Directors shall be subject to all applicable provisions of Chapter 5.3 of the FMSA in relation to Shares and Votes held by them, including Shares and Votes in the Company and Affiliated Issuing Institutions, and any changes in respect thereof.

Chapter VII Affiliated Persons

Article 14 Notification obligation

1. Every Affiliated Person shall, no later than on the fifth business day after the Transaction Date, notify the AFM of Transactions Executed for his or her own account in (depository receipts for) shares in the Company's capital or in financial instruments whose value is partly determined by the value of those (depository receipts for) shares.
2. The notification obligation set out in paragraph 1 shall not apply to Transactions Executed by a financial firm permitted under the FMSA to manage private portfolios pursuant to a written mandate which provides that the Affiliated Person, as principal, may not exercise any influence on Transactions Executed pursuant to the mandate by the financial firm.
3. Affiliated Persons shall be obliged themselves to make the notification to the AFM, as referred to in paragraph 1, unless they have instructed the Central Officer before 13:00 on the business day prior to the final day for notification, to make the notification referred to in paragraph 1 on their behalf. The instructions must be given in writing and set out all details to be notified to the AFM. The Affiliated Person himself or herself shall at all times remain responsible for the notification to the AFM.

Chapter VIII Other provisions

VIII.1 Central Officer

Article 15 Appointment and dismissal

The Executive Board of the Company shall designate a Central Officer. The managing board of the Company may at any time revoke the designation of the Central Officer as such.

VIII.2 Designations and notifications

Article 16 Closed Periods

The Company's managing board shall, in a timely manner before the beginning of each financial year, announce which periods in that financial year shall be deemed Closed Periods. Changes or additions shall be announced in the same manner in the course of the financial year.



Article 17 Notification of prohibitions

The Company shall notify the prohibitions of Part 5.4.2 (Rules to Prevent Market Abuse) of the FMSA [and the sanctions for violation of those prohibitions] to the TKH Executive Board Member, the TKH Supervisory Board Member and the Managing Director, as well as all other persons engaged by the Company who may possess Inside Information on a regular or incidental basis. A summary of the sanctions for violation of the prohibitions of Part 5.4.2 (Rules to Prevent Market Abuse) of the FMSA has been attached to the TKH Regulations as **Annex B**.

VIII.3 Final provisions

Article 18 Sanctions

In the event of a violation of any provision of the TKH Regulations, the Company or, as the case may be, the employer reserves the right to impose any sanctions which he is entitled to impose pursuant to the law and/or the (employment) agreement with the person in question. Such sanctions shall include termination of the (employment) agreement with the person involved, by way of summary dismissal or otherwise.

Article 19 Circumstances not covered by the TKH Regulations

The Company's Executive Board shall have the right to take decisions in any circumstances not covered by the TKH Regulations, provided that it does so in accordance with any applicable statutory provisions.

Article 20 Entry into force

1. The TKH Regulations shall enter into force on 9 March 2010.
2. The TKH Regulations shall replace the Regulations of March 2007 with effect from 9 March 2010.

Article 21 Amendments

Provisions of the TKH Regulations may be amended and supplemented by a resolution of the Company's Executive Board. Such resolution shall require the approval of the Company's Supervisory Board. Amendments and additions shall enter into force from the moment that they are announced, unless the announcement specifies a later date.

Article 22 Governing law

The TKH Regulations shall be governed by Dutch law.



ANNEX A

Definitions

In the TKH Regulations the following capitalised terms shall have the following meanings:

- Affiliated Issuing Institution : A limited liability company (*naamloze vennootschap*) under Dutch law whose (depository receipts for) shares, or transferable securities equivalent to depository receipts for shares, have been admitted to trading on a regulated market in the Netherlands or in another Member State:
- a. which belongs to the same group as the Company or in which the Company holds a participating interest as referred to in Article 2:24c Dutch Civil Code, and whose turnover as most recently determined constitutes at least 10% of the Company's consolidated turnover; or
 - b. which provides directly or indirectly more than 25% of the Company's capital
- Affiliated Persons :
- a. Spouses, registered partners or life partners of, or other persons cohabitating in a similar way with, a TKH Executive Board Member, a TKH Supervisory Board Member, or a TKH Managing Director;
 - b. Children of a TKH Executive Board Member, a TKH Supervisory Board Member, or a TKH Managing Director, who fall under his or her authority or who are under legal restraint and for whom a TKH Executive Board Member, a TKH Supervisory Board Member, or TKH Managing Director was appointed as guardian;
 - c. Other relatives related by blood or otherwise of a TKH Executive Board Member, a TKH Supervisory Board Member or a TKH Managing Director, who have on the Transaction Date shared a joint household with him or her for at least one year;
 - d. Legal entities, trusts as referred to in Section 1



under c of the Act on the Supervision of Trust Offices (*Wet toezicht trustkantoren*) or partnerships (i) whose executive responsibility is vested in a TKH Executive Board Member, a TKH Supervisory Board Member or a TKH Managing Director, or in a person as referred to in paragraphs a to c, (ii) which are controlled by an TKH Executive Board Member, a TKH Supervisory Board Member, a TKH Managing Director, or a person as referred to in paragraphs a to c, (iii) which have been created for the benefit of a TKH Executive Board Member, a TKH Supervisory Board Member, a TKH Managing Director, or a person as referred to in paragraphs a to c, or (iv) the economic interests of which are essentially equivalent to those of a TKH Executive Board Member, a TKH Supervisory Board Member, a TKH Managing Director, or a person as referred to in paragraphs a to c.

- Affiliated Financial Instruments : Financial Instruments issued by or relating to a legal entity, partnership or other entity:
- a. which belongs to the same group as the Company or in which the Company holds a participating interest as referred to in Article 2:24c Dutch Civil Code, and whose turnover as most recently determined constitutes at least 10% of the Company's consolidated turnover; or
 - b. which provides directly or indirectly more than 25% of the Company's capital.
- AFM : The Netherlands Authority for the Financial Markets
- Central Officer : The officer referred to in Article 26 of the TKH Regulations
- Closed Period :
 - a. the period of 8 weeks (56 days) prior to the first publication of the Company's annual accounts;
 - b. the period of 3 weeks (21 days) prior to the first publication of the quarterly or semi-annual figures of the Company;



Company	:	TKH Group N.V., with its corporate seat in Haaksbergen
Derivatives on Commodities	:	Derivatives on Commodities are Financial Instruments of which the value is also determined by the value of the derivatives to which they relate
Dutch Corporate Governance Code	:	The code of conduct designated in the general administrative order referred to in Section 2:391 subsection 5 Dutch Civil Code
Execution of Transactions	:	The sale or purchase of Financial Instruments or the execution of any other legal act aimed at acquiring or disposing of Financial Instruments, either directly or indirectly and for one's own account or the account of others
Financial Instruments	:	(depository receipts for) shares or other financial instruments within the meaning of Section 1:1 FMSA in conjunction with Section 5:53 subsection 3 FMSA which have been admitted to trading: (i) on a regulated market or a multilateral trading facility in the Netherlands or another Member State, or for which a request for admission to that trading has been made, or (ii) on a system that is similar to a regulated market or multilateral trading facility in a State which is not a Member State, or for which a request for admission to trading has been made
Inside Information	:	a. with regard to Financial Instruments, not being Derivatives on Commodities, Inside Information is knowledge of information of a precise nature which has not been made public, relating, directly or indirectly, to the legal entity, company, or institution to which the Financial Instruments relate or to the trade in those Financial Instruments and which, if it were made public, would have a significant influence on the price of the Financial Instruments or on related derivative Financial Instruments;



b. with regard to Derivatives on Commodities, Inside Information is knowledge of information of a precise nature which has not been made public, relating, directly or indirectly, to one or more of those Derivatives on Commodities, which information investors in those Derivatives on Commodities would expect to be made public in accordance with accepted market practices on the regulated markets where those Derivatives on Commodities are traded. Information which investors would expect to be made public would be information of such a nature that it:

- (i) is routinely made available to investors in those Financial Instruments; or
- (ii) should be made publicly available in line with legal requirements applicable to those regulated markets or multilateral trading facilities or rules, agreements or accepted practices on those regulated markets or multilateral trading facilities.

- Member State : A state that is a member of European Union and a state not being a member of the European Union, which is a party to the Agreement on the European Economic Area.
- Other Financial Instruments : Financial Instruments (except for TKH Financial Instruments and Affiliated Financial Instruments), to the extent that they have been designated by the Company's Supervisory Board in consultation with its Executive Board or have been determined by the Central Officer in accordance with the TKH Regulations
- Personal Data : Data relating to an identifiable natural person. Data relating to
- FMSA : Financial Markets Supervision Act
- Shares :
 - a. transferable shares as referred to in Section 2:79a paragraph 1 Dutch Civil Code;
 - b. depositary receipts for shares, or other transferable securities comparable with (depositary



receipts for) shares;
c. other transferable Financial Instruments - not being options as referred to in d.- by which the shares or securities referred to in a. or b. can be acquired;
d. options to acquire the shares or securities referred to in a. and b.

Transaction Date	:	The date on which a Transaction is Executed
Votes	:	Votes which may be cast on Shares, including votes pursuant to an agreement to acquire votes
TKH Executive Board Members	:	The members of the corporate body charged with the Company's management
TKH Financial Instruments	:	Financial Instruments issued by or relating to the Company
TKH Managing Directors	:	TKH Employees, not being TKH Executive Board Members or TKH Supervisory Board Members, who have an executive position and on that basis have the power to take decisions which have an effect on the future development and prospects of the Company and who may regularly have access to Inside Information
TKH Regulations	:	The TKH Regulations 2010 on the holding of and effecting transactions in Shares and certain other Financial Instrument
TKH Supervisory Directors	:	The members of the corporate body charged with the supervision of the Company's management

ANNEX B

The Company shall notify the prohibitions of Part 5.4.2. (Rules to Prevent Market Abuse) of the FMSA and the sanctions for violation of those prohibitions to the TKH Executive Board Members, TKH Supervisory Board Member and TKH Managing Directors on a regular or incidental basis. These sanctions are in force as from 1 January 2010.

Prohibitions

Prohibition of Section 5:56 subsection 1 of the FMSA

Every person belonging to a category specified in Section 5:56 subsection 2 of the FMSA shall be prohibited from making use of inside information by executing or effecting a transaction:

- a. in or from the Netherlands or a non-Member State, in financial instruments which have been admitted to trading on a regulated market for which a license was granted as referred to in Section 5:26 subsection 1 of the FMSA, or a multilateral trading facility for which the investment firm was granted a license as referred to in Section 2:96 of the FMSA or for which a request for admission to trading on such market has been made;
- b. in or from the Netherlands, in financial instruments which have been admitted to trading on a with a regulated market or a multilateral trading facility comparable system in a non-Member State, or in financial instruments for which a request for admission to trading on such market has been made;
- c. in or from the Netherlands or a non-Member State, in financial instruments – not being financial instruments as referred to in a. or b. – whose value is partly determined by the value of the financial instruments referred to in a. or b.; or
- d. in or from another Member State in financial instruments which have been admitted to trading on a multilateral trading facility for which the investment firm was granted a license as referred to in Section 2:96 of the FMSA.

Section 5:56 subsection 2 of the FMSA

The categories referred to in Section 5:56 subsection 1 of the FMSA are:

- a. persons having inside information due to the fact that they determine or partly determine the daily policy, or supervise the policy and the general course of business, of the issuer² to which the inside information relates;
- b. persons having inside information due to the fact that they have a qualified participating interest in the issuer or an issuer which has issued financial instruments as referred to in Section 5:56 subsection 1 paragraph c of the FMSA to which the inside information relates;

² 'Issuer' shall mean a legal entity, company or institution which has issued financial instruments as referred to in Section 5:56 subsection 1 paragraph a or b of the FMSA, or the person at whose proposal a purchase agreement concerning a financial instrument, not being a security, has been concluded.

- c. persons having access to inside information through the exercise of their employment, profession or duties; and
- d. persons having inside information by virtue of their involvement in criminal offences.

Section 5:53 subsection 1 of the FMSA

Inside information is knowledge of information of a precise nature which has not been made public, relating, directly or indirectly, to an issuer as referred to in Section 5:53 subsection 4 paragraph a FMSA³ to which the financial instruments relate or to the trading in those financial instruments and which, if it were made public, would have a significant influence on the price of the financial instruments or on related derivative financial instruments.

With regard to derivatives on commodities, inside information is knowledge of information of a precise nature which has not been made public, relating, directly or indirectly, to one or more derivatives on commodities and which information investors in those derivatives on commodities would expect to be made public in accordance with accepted market practices on the regulated market for which a licence has been granted as referred to in Section 5:26 subsection 1 FMSA or the multilateral trading facility for which the investment firm was granted a license as referred to in Section 2:96 subsection 1 of the FMSA, on which those derivatives on commodities are traded. Market practices as referred to in the previous sentence can be designated in or pursuant to a general administrative order.

Prohibition of Section 5:56 subsection 3 of the FMSA

Any person not belonging to a category referred to in Section 5:56 subsection 2 of the FMSA, who knows or should reasonably suspect that he has inside information shall be prohibited from using that inside information by:

- a. executing or effecting, in or from the Netherlands or a non-Member State, any transaction in financial instruments as referred to in Section 5:56 subsection 1 paragraph a of the FMSA;
- b. executing or effecting, in or from the Netherlands, any transaction in financial instruments as referred to in Section 5:56 subsection 1 paragraph b of the FMSA;
- c. executing or effecting, in or from the Netherlands or a non-Member State, any transaction in financial instruments as referred to in Section 5:56 subsection 1 paragraph c of the FMSA; or
- d. executing or effecting, in or from another Member State, any transaction in financial instruments as referred to in Section 5:56 subsection 1 paragraph d of the FMSA.

³ See previous footnote.



Prohibition of Section 5:56 subsection 7 of the FMSA

It shall be prohibited to use inside information by trying to execute or effect a transaction as referred to in Section 5:56 subsection 1 of the FMSA.

Prohibition of Section 5:57 subsection 1 of the FMSA

Any person belonging to a category referred to in Section 5:56 subsection 2 paragraph a, b or d of the FMSA, as well as any person having inside information and belonging to the category referred to in Section 5:56 subsection 2 paragraph c or d of the FMSA, shall be prohibited from:

- a. disclosing the information of which he has inside knowledge to a third party, other than in the normal course of the exercise of this employment, profession or duties, or
- b. recommending or inducing a third party to execute or effect transactions in those financial instruments,

in or from a State referred to in Section 5:56 subsection 1 paragraph a, b, or c of the FMSA, insofar as it concerns financial instruments as referred to in the relevant paragraph.

Prohibition of Section 5:57 subsection 2 of the FMSA

The prohibition referred to in Section 5:57 subsection 1 of the FMSA, shall apply equally to any other person who knows or should reasonably suspect that he has inside information.

Prohibition of Section 5:58 subsection 1 of the FMSA

It shall be prohibited to:

- a. execute or effect a transaction or order to trade in financial instruments, which gives or may give a false or misleading signal as to the supply of, demand for or price of those financial instruments, unless the person who has executed or effected the transaction or order to trade demonstrates that his reasons for executing or effecting the transaction or order to trade are justified and that the transaction or order to trade is in accordance with accepted market practices on the regulated market in question or the multilateral trading facility in question for which the investment firm was granted a license as referred to in Section 2:96 of the FMSA;
- b. execute or effect a transaction or order to trade in financial instruments, in order to secure the price of those financial instruments at an artificial level, unless the person who has executed or effect the transaction or order to trade demonstrates that his reasons for executing or effecting the transaction or order to trade are justified and that the transaction or order to trade is in accordance with accepted market practices on the multilateral trading facility in question for which the investment firm was granted a license as referred to in Section 2:96 of the FMSA;
- c. execute or effect a transaction or order to trade in financial instruments, by employing deception or contrivance; or
- d. disseminate information which gives or may give a false or misleading signal as to the supply of, demand for or price of financial instruments, where the person disseminating that information knows or should reasonably suspect that the information is false or misleading,



in or from a State as referred to in Section 5:56 subsection 1 paragraph a, b or d of the FMSA, insofar as it concerns financial instruments as referred to in the relevant paragraph.

Administrative sanctions

Sanction of Section 1:79 of the FMSA:

The AFM may impose an order subject to an incremental penalty (last onder dwangsom) for violation of the rules laid down pursuant to Section 5:58 subsection 1 of the FMSA.

Sanction of Section 1:80 FMSA:

The AFM may impose an administrative fine for violation of the rules laid down pursuant to Section 5:56 subsections 1, 3 and 7 of the FMSA, Section 5:57 subsection 1 of the FMSA and Section 5:58 subsection 1 of the FMSA.

The amount of the administrative fine shall be determined by general administrative order: the Decree on Administrative Fines under Financial Legislation.

The maximum fine for each individual violation shall amount to EUR 4,000,000. If a violation occurs within a period of five years since an administrative fine was imposed for a similar violation, the amount of the fine for an individual violation, as referred to in the first sentence, shall be doubled. The AFM may also set the amount of the administrative fine at a maximum amount of twice the financial benefit obtained by the violation if that benefit exceeds EUR 2,000,000.

The basic amount for violation of the rules laid down pursuant to Section 5:56 subsections 1, 3 and 7 of the FMSA, Section 5:57 subsection 1 of the FMSA and Section 5:58 subsection 1 of the FMSA shall be EUR 2,000,000. The AFM shall decrease or increase the basic amount by no more than 50% if the seriousness or duration of the violation justifies this. The AFM shall also decrease or increase the basic amount by no more than 50% if the extent of culpability of the person committing the violation justifies this.

In determining an administrative fine, the AFM shall take into account the financial ability of the person committing the violation, and it may reduce the administrative fine for this reason by no more than 100%.

Publication

In the case of a violation of the above prohibitions, the AFM may issue a public warning, stating, if necessary, the reasons for the warning. A public warning shall not, as a general rule, be issued until five business days have passed after the day on which the person in question has been notified of the decision. If, however, protection of the interests that the FMSA aims to protect does not allow



any delay, the supervisory authority may, notwithstanding the foregoing, issue a public warning forthwith.

Following notification, the AFM shall make decisions to impose an administrative fine under the FMSA public, among others if the administrative fine is imposed in relation to a violation of the above prohibitions. Such decision shall not be made public until five business days have passed after the day on which the person in question has been notified of the decision. No publication will take place if this is or could be in conflict with the purpose of the supervisory authority's supervision of compliance with the FMSA. Without prejudice to the foregoing provision, the AFM shall make a decision to impose an administrative fine under the FMSA public once the decision can no longer legally be challenged, unless publication of the decision is or could be in conflict with the purpose of the supervisory authority's supervision of compliance with the FMSA.

The AFM shall make decisions to impose an order subject to an incremental penalty under the FMSA public when a penalty becomes due, unless publication of the decision is or could be in conflict with the purpose of the supervisory authority's supervision of compliance with the FMSA.

If protection of the interests that the FMSA aims to protect does not allow any delay, the AFM may, notwithstanding the foregoing, forthwith make public a decision to impose an administrative penalty, or an order subject to an incremental penalty.

Criminal sanctions

Violations of Section 5:56 subsections 1, 3 and 7, Section 5:57 subsection 1 and Section 5:58 subsection 1 FMSA are economic offences within the meaning of Section 1 paragraph 3 of the Economic Offences Act.

Pursuant to Section 5:54 of the FMSA and Section 6 of the Economic Offences Act, an offence as referred to above is subject to a maximum period of imprisonment of two years, community service or a category 4 fine, which is EUR 19,000 (this amount is adjusted every two years to the development of the consumer price index since the previous adjustment of the amount; the last adjustment took place on 1 January 2010)..

If the value of the assets, through or in relation to which the economic offence has been committed or which has been acquired wholly or partly by means of the economic offence, exceeds one-fourth of the maximum amount of this fine, a fine of the next higher category may be imposed. This increase is without prejudice to Section 23 subsection 7 of the Criminal Code, which provides that where a legal entity has been convicted, a fine of the next higher category may be imposed. The amount of a fine of category 5 is EUR 76,000, and the amount of a fine of category 6 is EUR 760,000 (these amounts are adjusted every two years to the development of the consumer price



index since the previous adjustment of the amounts; the last adjustment took place on 1 January 2010).

Furthermore, (i) additional sanctions and (ii) measures may be imposed pursuant to Section 6 subsection 2 of the Economic Offences Act. Additional sanctions are listed in Section 7 and measures are listed in Section 8 of the Economic Offences Act.

Sanction of Section 67 of the Code of Criminal Procedure:

Pursuant to Section 67 of the Code of Criminal Procedure, an order can be given to detain a person before trial, if he is suspected of having committed an offence as referred to in Sections 5:56, 5:57 and 5:58 of the FMSA.

Other sanctions

Sanction of Section 39 of the TKH Regulations 2007:

In the event of a violation of one or more provisions of the TKH Regulations, the Company or, as the case may be, the employer reserves the right to impose any sanctions provided by law and/or by the (employment) agreement with the person in question, including immediate or other termination of the (employment) agreement.