

## **Corporate Governance Statement Report of the Board of Management 2016**

This corporate governance statement contains the information regarding corporate governance pursuant to the the Decree to determine additional regulations regarding the content of the report of the Board of Management (*Besluit tot vaststelling van nadere voorschriften omtrent de inhoud van het bestuursverslag*). This statement is deemed to form part of the Corbion Report of the Board of Management 2016.

**The information included in this corporate governance statement pursuant to sections 3, 3a and 3b of the abovementioned decree can be found, where applicable, in the Report of the Board of Management, in the Remuneration Report or in the Articles of Association, all of which are published on the Corbion website ([www.corbion.com](http://www.corbion.com)).**

### **I. Compliance with the Corporate Governance Code.**

#### **General**

Corbion recognizes the importance of good corporate governance and the principles contained within the Dutch corporate governance code 2008 (the "Code"), namely, that a company is a long-term partnership between various parties related to the company. Our management bears overall responsibility for balancing the interests of these parties, mostly with the aim of ensuring continuity of the company. At the same time, Corbion aims to create long-term value for its shareholders. Corbion is committed to embedding the Code principles within the company, thereby abiding by the core concepts of good business practices, integrity, openness, and transparent and well-supervised management. The full text of the Code can be viewed at: [www.commissiecorporategovernance.nl](http://www.commissiecorporategovernance.nl).

#### **Compliance with the Code**

With the exception of the deviations outlined in the paragraphs below, Corbion endorses and adheres to the principles and best practices of the Code.

Important changes in the corporate governance structure are presented to the General Shareholders' Meeting for discussion. Our corporate governance policy, including the relevant regulations and reports, can be consulted on the Corbion website ([www.corbion.com](http://www.corbion.com)).

#### **Deviations from the Code**

With respect to best practice provision II.2.5 of the Code, Corbion applies share ownership requirements instead of holding restrictions. The Supervisory Board believes that a mandatory share ownership leads to a more sustainable build-up and alignment of the interests of the Board members and the shareholders. As long as a member of the Board of Management does not comply with the share ownership requirements, vested shares received under share plans will be kept in a restricted account and cannot be traded.

Corbion departs from the provisions of the Code with regard to the possible financing of income tax on vested shares under the share plan by selling part of the vested shares.

Regarding its composition, the Supervisory Board always tries to strike the right balance between (international) expertise and experience. Diversity in - a certain degree of – nationality, age and gender variation may be instrumental in achieving the desired balance in the composition of the Board. In this respect, the profile of Corbion's Supervisory Board deviates from best practice provision III.3.1 of the Code. The required expertise and experience, as well as the availability of the right candidates, are decisive when proposing candidates for (re)appointment.

Corbion continues to pay close attention to diversity including gender diversity in the profiles of new Board of Management and Supervisory Board members in accordance with Section 2:166 Subsection 2 of the Dutch Civil Code, although it currently does not strictly follow the recommendation for an explicit target on gender diversity yet and has not formulated concrete targets in this respect. A diversity policy including possible target (setting) ambitions will be further prepared in 2017.

There are two other aspects in which Corbion departs from the Code. The members of the Supervisory Board and the Board of Management are appointed by the General Shareholders' Meeting on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Shareholders' Meeting can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one third of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The General Shareholders' Meeting may decide to suspend or dismiss a member of the Board of Management or the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least one third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

## **II. Risk management and internal control**

With worldwide operations in various markets and jurisdictions, Corbion needs to ensure timely identification and effective management of all significant risks inherent to the execution of its strategy and realization of its objectives. Corbion has an enterprise-wide risk management (ERM) in place to preserve its reputation, assets, competitive edge, and profits. ERM is the process of systematically identifying, analyzing, evaluating, and addressing risks that may impact the achievement of corporate objectives. The Board of Management is responsible for the design, implementation, and operation of Corbion's risk management and internal control system. Corbion has defined a governance model that identifies clear reporting and accountability structures in line with the Dutch corporate governance code 2008.

### **Risk appetite**

Our risk appetite is the amount of risk we are willing to accept to achieve our strategic goals. This requires adequate understanding and awareness of potential risks and their magnitude within

the company. The level of risk appetite is set by the Executive Committee, but for areas that are close to or exceeding our risk appetite, involvement of both Senior Management and Executive Committee will be required. Our risk appetite can be summarized as follows.

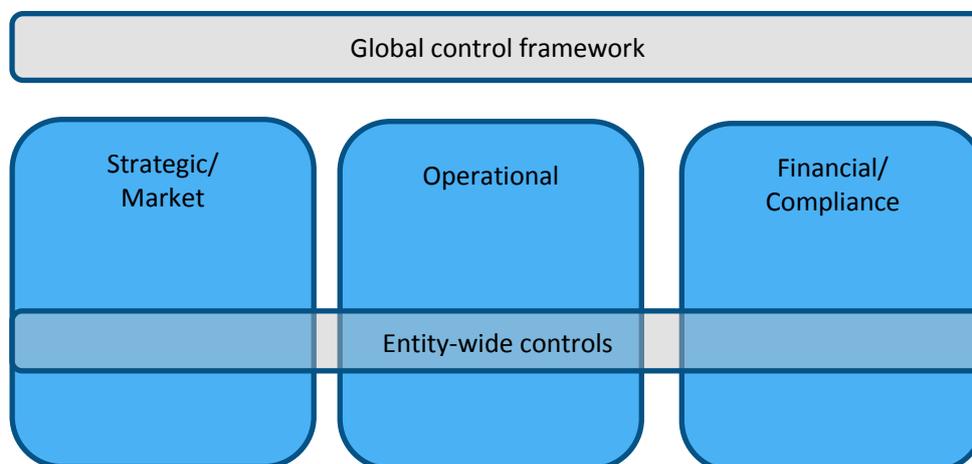
<b>Risk category</b>	<b>Risk appetite</b>
Strategic/market risk	Moderate to high: balancing risks and rewards to achieve our growth, innovation, and sustainability objectives
Operational risk	Low: safety-related issues Moderate: other areas with a focus on improving operational and functional excellence
Financial/compliance risk	Low: full compliance with legal and regulatory reporting (including financial reporting)

The impact on EBITDA in millions of euros of a 1% change in net sales, costs, profit, and currency changes is reflected as follows.

	Change	Approx. EBITDA impact (Millions of euros)
Net sales	+1% / -1%	+/- 4.6
Gross profit	+1% / -1%	+/- 3.0
Operating costs (= selling expenses + R&D costs + G&A expenses)	+1% / -1%	+/- 1.5
USD	+1% / -1%	+/- 1.0
YEN	+1% / -1%	+/- 0.2

#### **Risk management approach**

Our approach to risk management aims to achieve a reasonable level of assurance, in line with the Enterprise Risk Management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO – ERM). Our approach aims to embed risk awareness and risk management at all levels of Corbion to ensure that risk decisions are taken and evaluated consciously and properly. Our risk management approach covers strategic/market, operational and financial/compliance risks, which can be illustrated as follows.



To embed risk awareness, constant management attention and communication coupled with risk management workshops are essential to identify critical risks for all our business activities. Awareness, identification of risks, and action plans to mitigate these risks are at the heart of our risk management program. The progress in risk mitigation is discussed on an ongoing basis between business management and the Executive Committee.

### Key risk areas

Below a summary is provided of the main risks that have been identified for Corbion, including possible impact and mitigation measures taken to address them. We make a distinction between Corbion-specific risks and risks of a more generic nature, which are also applicable to Corbion. There may be other risks which are currently unknown to Corbion, or currently believed not to be material, but which could ultimately have a major impact on Corbion's business, objectives, revenues, income, assets, liquidity, or capital resources.

### Corbion-specific risks

Risk event	Cause and possible impact	Mitigation actions
<b>Strategic/market risks</b>		
PLA developments not meeting expectations	Failure to develop a profitable PLA business in the mid-to-longer term (5 years) due to limited customer adoption leading to overcapacity and loss of market share.	Building a PLA plant next to the lactide facility to improve profit contribution under the precondition of sufficient upfront commercial commitments including pre-approval of samples by customers in order to reduce risk of commercialization/future output. Continued market and technology development with best-in-class

		<p>partnerships (including 50/50 JV agreement with Total) to ensure successful construction and commercialization of the plant.</p>
<p>Raw material and energy price volatility and availability</p>	<p>Failure to manage the price volatility risk of raw materials, chemicals and energy that cannot be passed on to customers due to inadequate commodity positioning or lack of contractual enforcement may result in adversely impacted gross margins.</p>	<p>The inclusion of price formulas in contracts, frequent monitoring of key materials and energy impact. Overall raw material risks are mitigated by actively taking longer-term contract positions when necessary, by sourcing from different locations/key raw materials, and in the longer run, by considering alternative or second-generation feedstocks.</p> <p>Our global procurement organization, with dedicated finance support, has developed adequate measures to secure contract positions and obtain financial instruments to minimize or delay exposure to cost fluctuations in raw materials prices that might impact our margins negatively. These measures include early warnings of possible impact on our organization and our customers. Furthermore, we have implemented a multiple-supplier sourcing policy for our most critical raw materials.</p>
<p>Loss of large customers</p>	<p>The loss of a large customer could have a disproportionate impact on the profitability of the company. We have a large and diversified customer base in which the five largest customers account for approximately 14% of our sales.</p>	<p>Intimate customer relationships based on a profound knowledge of our customers' needs and those of their end consumers; continuous new product development, where possible jointly with our customers; and excellent service and cost levels should limit the risk of large customers leaving. Our strategy is very much focused on improving these fundamental customer relationship aspects, including required substantial investments.</p>

<b>Operational risks</b>		
Safety incidents	Inherent health safety hazards in our operations and insufficient awareness of unsafe plant conditions can lead to injuries or casualties and a possible (temporary) plant shutdown.	<p>Safety is an integral part of new design and change in product formulations and production processes.</p> <p>Our global safety platform reaches across all sites enabling a policy framework (and deployment), audits, and best-practice exchange.</p> <p>A program focused on behavioral-based safety, supported by e-learning and awareness workshops has been rolled out to enhance our safety culture.</p> <p>Corbion fosters an open and transparent culture by encouraging all employees to report, amongst others, all near misses and events in order to continuously improve our safety and environmental performance.</p>
Business interruption	An external hazardous event (floods, riots, fires etc.) or internal disruption (e.g. availability of critical spare parts, global supply chain complexity et cetera.) may result in a significant period of plant shutdown or disruption and hence in non-(timely)-delivery of our products to internal and/or external customers ultimately leading to adverse financial and reputational consequences.	Business continuity and crisis management plans including contingency sourcing are in place and tested. Furthermore, appropriate customer and supplier agreements are in place to limit exposure whilst leveraging supplies. Finally, residual risks are adequately insured including assets and business continuity risks.
Confidential information	Failure to protect sensitive information adequately due to limited physical protective measures, inadequate user behavior, or possible cyber-attacks may result in loss of valuable or sensitive information such as trade secrets or intellectual property.	Controls are continuously improved and penetration tests (to check quality improvement) are performed quarterly. Non-disclosure agreements with third parties are in place.
<b>Financial/compliance risks</b>		
Liability claim for poor	Deficiencies in the operating	Liabilities to customers are

product quality	effectiveness of the quality assurance measurements may lead to a severe liability claim.	contractually capped as much as possible in line with Corbion policy whilst residual risk is partially covered through liability insurance. A strong Product Quality Assurance program (including audits by customers) is in place.
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**Generic risks**

<b>Risk event</b>	<b>Cause and possible impact</b>	<b>Mitigation actions</b>
Volatility in currency exchange rates	Failure to manage volatility in the exchange rates of a number of currencies versus the euro, especially the US dollar, can have a significant impact on our financial results.	<p>Hedging policy to limit the impact of volatility in foreign exchange rates is in place. Hedging the impact of the foreign currency translation risk is partly and indirectly effectuated through matching with liabilities denominated in foreign currency.</p> <p>Our external debt is partly denominated in US dollars, which partly offsets the equity translation exposure we have against the US dollar. The exposure to transaction risks is partly hedged by offsetting the long/short foreign currency positions through a system of gradually selling and/or buying these currencies to mitigate the impact of sudden volatility in these currencies.</p>

Cybersecurity	A breach of our IT security might lead to possible loss of information.	We have implemented an IT governance structure including a dedicated CISO (corporate information security officer) and an ISB (information security board) governance board. The ITGC (IT general control) framework has been updated including amended IT policies. On a frequent basis we perform penetration tests, helping us to identify and correct potential IT security weaknesses. The outcome of these tests supports us to further strengthen our IT security levels. In addition we reduce our risk exposure by strengthening our passwords, by increasingly transitioning applications to safe cloud environments, and by continuously raising IT security awareness with our people (e.g. e-learning, communications).
Non-compliance with applicable tax laws	Failure to timely detect and anticipate changes in a wide variety of tax laws or in the application thereof could adversely affect our financial results.	Adequate quarterly reporting system is in place, we hold regular tax meetings, and review tax compliance of our operating companies. Our global tax control framework warrants compliance. Transfer pricing policy and documentation are in place as well. We seek the advice of external tax experts in compliance matters.
Legislative and regulatory environment	Failure to comply with (changing) laws and regulations in the markets we operate in. Lack of insight into and/or awareness of relevant laws and regulations and their requirements may result in suspension of activities, reputational damage, and exposure to criminal and financial lawsuits.	Global legal and regulatory compliance programs are in place, including related awareness trainings, and monitoring, reviewing and reporting on changes of laws and regulations. We seek the advice of external experts in compliance matters.

<p>Non-compliance with International Financial Reporting Standards (IFRS)</p>	<p>Not informing our shareholders and other stakeholders in conformity with IFRS might lead to a lack of trust, reputational damage, a declining share price, and, possibly, legal claims.</p>	<p>Corporate accounting policies are maintained and made available via the Corbion intranet. Our global control framework includes financial reporting controls that warrant compliance with IFRS. External best-in-class expert advice is used if/when necessary.</p>
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**Control measures**

The Board of Management has evaluated the design and effectiveness of the internal risk management and control systems, based on continuous monitoring and interaction with the business and corporate staff and by assessing, amongst others, the following information.

**Entity-wide controls**

Our entity-wide controls are not limited to those outlined in this section. Also, various examples of policies and procedures can be found which are implemented by local operating companies.

*Legal and regulatory review*

Local management is responsible for compliance with laws and regulations. The Legal Department is consulted by local management on an ongoing basis. Every six months, local management reports the main open legal issues exceeding € 100,000 to Corporate Legal and Corporate Finance.

*Letter of Representation*

Every six months, managing directors and finance directors of each reporting entity or, where applicable, other senior staff, provide a Letter of Representation to the Board of Management. This letter represents compliance with financial reporting and internal controls.

*Business Conduct Program*

Guided by the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, our Code of Business Conduct describes principles with respect to personal and business conduct, asset protection, employment standards, and environmental protection and sets out the expected standard of behavior of all Corbion employees. This Code serves as an umbrella for underlying policies which cover in more detail areas such as competition law, anti-bribery, anti-corruption, economic sanctions, and insider trading. Corbion has a network of regional Business Conduct Coordinators who support embedding of the Code of Business Conduct and the underlying policies in the local operations. Besides this, they function as a local point of contact for management and staff. All Corbion employees need to follow annually a mandatory training (either through e-learning or class room training) with respect to the Code of Business Conduct. In addition, selected groups of employees need to follow every two years mandatory e-learning trainings with respect to anti-corruption and competition law. A breach of the Code of Business Conduct can lead to disciplinary actions, including termination of

employment.

Under the Corbion Speak Up Policy, Corbion employees are able to report (potential) violations of the Code of Business Conduct to their manager or a Business Conduct Coordinator. Next to that, the Corbion Speak Up Line, which is available 24/7 and operated by an independent service provider, allows employees to report issues anonymously. In 2016, four complaints with respect to the Code of Business Conduct were reported. Appropriate measures have been taken by management.

#### *Tax principles*

Corbion considers paying taxes an important part of our corporate social responsibility. Based on this, and derived from our Code of Business Conduct as part of our corporate governance structure, we have adopted the following tax principles. These tax principles deal with all different types of taxes which we are obliged to report and pay in the jurisdictions in which we operate, including taxes on profits, value added taxes, wage taxes, duties, and various other taxes.

#### *Business rationale/transfer pricing*

Corbion's tax strategy follows from and is aligned with the business strategy and objectives. Consequently, we aim to pay the appropriate amount of tax depending on where value is created in each of the jurisdictions we operate in, following the normal course of commercial activity, and in accordance with domestic and international rules and standards. All our intercompany transfer pricing and policies are based on the "arm's length principle."

#### *Compliance*

We act at all times in accordance with all applicable laws in which we are guided by the relevant local and international standards. Compliance is monitored within a global tax control framework. Corbion complies with its statutory obligations and aims to file all required tax-relevant information with the appropriate tax authorities in a timely, transparent, and complete manner. Tax-related disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements under IFRS.

#### *Relationship with tax authorities*

We seek to develop mutually respectful relationships with the various national tax authorities based on trust and transparency. To accomplish this we aim for an open and constructive dialog with the various tax authorities on the basis of disclosure of all relevant facts and circumstances. In the Netherlands we concluded a so-called tax covenant ("horizontal monitoring") with the Dutch tax authorities. Such covenant entails that the tax authorities can rely on Corbion to provide upfront disclosure of all relevant information, while it allows Corbion to get upfront confirmation of applicable tax treatment.

#### *Tax governance*

Within the governance framework, the conduct of the group's tax affairs and the management of

tax risks are delegated to the group's tax department with support and assistance from the group and local finance departments. The Audit Committee supervises the activities of the Board of Management with respect to the tax governance framework.

### **Global control framework**

#### *Business planning, budgeting, and management review*

Based on Corbion's strategy and plans, targets are set for the annual budget. After determining these budgets, the targets are rolled out to the responsibility areas (business units, operations, etc.) within Corbion. Quarterly updated estimates are made based on a forecast until the end of the year. Forecasts are specifically discussed between responsibility area leaders and the Board of Management. The Board of Management monitors business performance on a monthly and quarterly basis using a defined set of key performance indicators and reviews of actual results versus budgets, quarterly estimates, and the previous year. Local entities are visited frequently. Operational management meets at least once a month to discuss the strategy and related risks, the actual performance versus budget, and other significant matters in their respective areas.

### **Financial control framework**

As Corbion operates worldwide, it is committed to maintaining high-quality, reliable financial reporting, and a good control environment. All reporting entities assess operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS. Together with the Letters of Representation, this ensures the integrity of our financial reporting.

During 2016 our main legal entities performed quarterly assessments of the effectiveness of their key financial process controls. The assessments have been included in internal audits and used as a starting point by external auditors. Improvement recommendations based on audit findings are followed up by local management, the status of which is being monitored regularly by the Board of Management.

#### *Insurance*

Insurance is an integral part of our risk management approach as it is an instrument to manage the financial consequences of risks. The choice to obtain external insurance cover depends on the cost efficiency of the instrument. The coverage of insurances is monitored and benchmarked regularly.

#### *Internal audit*

Internal audit supports the organization in accomplishing its objectives by providing a systematic, disciplined approach for the evaluation and improvement of the effectiveness of our internal control and governance processes. The Internal Audit Charter is approved by the Board of Management and the Audit Committee annually. The objective of internal audit is to provide a broad range of audit services designed to assist the Board of Management in controlling the business operations. It provides independent, risk-based objective assurance and consulting services designed to add value to the organization. Internal audit evaluates risks and ensures that the controls in place are adequate to mitigate the risks identified by management, identifying

best practices, and recommending improvement opportunities to management. Internal audit at Corbion is based on a guest auditor and co-sourcing model where internal / external professionals provide the Internal Audit Director with specialized knowledge and capacity flexibility. Audit results are reported to the Board of Management and the Audit Committee.

*External audit*

Our external financial audit engagement ensures that all main entities are audited by the external auditor either for statutory and/or group purposes. The focus of the external auditor's work is the financial reporting with the objective of providing a reasonable basis for the audit opinion on the fairness of the presentation of the financial position of our company.

**In control statement**

Corbion's risk management and internal control systems are designed to identify in a timely manner the risks inherent to our strategic, operational, and financial reporting and compliance objectives and to determine appropriate risk responses as described above. Risk management and actions taken in the year under review were reported to and discussed by the Supervisory Board and Audit Committee. Internal representations received from management, regular management reviews, evaluations of the design and implementation of our risk management and internal control systems, and business and Audit Committee reviews are an integral part of the company's risk management approach.

It should be noted that the above does not imply that these systems and procedures provide certainty as to the realization of strategic, operational, and financial business objectives, nor that they can prevent all misstatements, inaccuracies, errors, fraud, and non-compliance with laws and regulations.

On the basis thereof, the Board of Management believes to the best of its knowledge that the internal risk management and control systems with respect to the financial reporting have adequately performed in 2016 and that these systems provide a reasonable level of assurance against inaccuracies of material importance in the financial reporting. There are no indications that the systems would not be adequate in 2017.

All in all, the Board of Management is of the opinion that it has fulfilled the best practice provision II.1.4 of the Dutch corporate governance code 2008 with due observance of the recommendations of the Corporate Governance Code Monitoring Commission.

### III. Shareholders' Meeting

#### Structure

Corbion nv is an international holding company as described by Section 153, Subsection 3 under b, of Book 2 of the Dutch Civil Code. The "large company" regime therefore does not apply to Corbion nv. Corporate governance relates to the management and supervision of the company, accountability, and the influence of stakeholders on decision-making.

The main powers of the General Meeting of Shareholders relate to:

1. the appointment, suspension and dismissal of members of the Board of Management and Supervisory Board;
2. approval of the remuneration policy of the Board of Management;
3. approval of the remuneration of the Supervisory Board;
4. the adoption of the annual Financial statements and approval of dividends;
5. release from liability of the members of the Board of Management and Supervisory Board;
6. issuance of shares or rights to shares, restriction or exclusion of pre-emptive rights of shareholders and repurchase or cancellation of shares;
7. amendments to the Articles of Association;
8. decisions of the Board of Management that would entail a significant change in the identity or character of Corbion or its business.

The annual General Shareholders' Meeting will be held within six months of the close of the financial year. At this meeting, the Report of the Board of Management and Financial statements drawn up by the Board of Management will be presented for adoption, amongst other things. If requests are received from shareholders who individually or collectively represent at least 1% of the issued capital to place items on the General Shareholders' Meeting agenda, these will be honored provided they are submitted to Corbion at least 45 days prior to the date of the meeting.

Extraordinary General Shareholders' Meetings will be held as often as the Board of Management and Supervisory Board deem necessary. An Extraordinary General Shareholders' Meeting will also be held if one or more shareholders who collectively represent at least 10% of the issued capital submit a written request to this effect to the Board of Management or the Supervisory Board enclosing a detailed list of agenda items. If neither the Board of Management nor the Supervisory Board – which have equal powers in this matter – respond in such a way that this Extraordinary General Shareholders' Meeting can be convened within six weeks of the request, the applicants are at liberty to convene the meeting themselves and appoint a Chairman.

Shareholders have voting rights in proportion to the number of shares held and there are no restrictions on the voting rights on the company's shares.

When convening a General Meeting of Shareholders the Board of Management is entitled to determine a registration date in accordance with the relevant provisions of the Dutch law.

With the exception of cases in which a larger majority is required by law or the Articles of Association, decisions at the General Shareholders' Meeting will be taken by an absolute majority of the votes cast.

Decisions to amend the Articles of Association and/or dissolve the company may only be taken at a General Shareholders' Meeting in which at least two-thirds of the issued capital is represented and by a majority of at least three-quarters of the votes cast, unless the proposal has been submitted by all incumbent members of the Board of Management with the collective approval of all incumbent members of the Supervisory Board, in which case the decision may be taken by an absolute majority of votes, regardless of the represented capital.

### **General Shareholders' Meeting held in 2016**

On 12 May 2016 the Annual General Shareholders' Meeting was held.

The agenda with explanatory notes and the 2015 annual report were sent free of charge to shareholders requesting so. They were also available at the offices and on the website of Corbion. In accordance with the Articles of Association, a registration date for the exercise of voting rights was determined.

All shares, both ordinary and financing preference shares carry equal voting rights at the General Meeting of Shareholders. Votes may be cast directly, through a proxy or by voting instructions via internet through the website of the ABN AMRO Bank ([www.abnamro.com/evoting](http://www.abnamro.com/evoting)).

During the Shareholders' Meeting of 12 May 2016, a total of 39.799.340 shares were represented. The attendance rate to this meeting was 64.90%.

The Dutch version of the minutes was available as a draft on the website within the requisite time of three months. Shareholders did not comment on the draft and the minutes were adopted.

The following resolutions were adopted by the Shareholders' Meeting of 12 May 2016:

1. Adoption of the Financial statements 2015.
2. Approval of the statutory dividend on financing preference shares.  
Approval of the final dividend on ordinary shares of € 0.43 per share in the form of a cash dividend to be charged to the reserves.
3. Approval of an additional dividend on ordinary shares.  
Approval of a special all-cash additional dividend of € 0.42 per common share charged to the reserves.
4. Discharge of the members of the Board of Management in respect of their management duties.
5. Discharge of the members of the Supervisory Board in respect of their supervisory duties.
6. Authorization of the Board of Management to issue shares:  
It was approved to
  - A. extend the period during which the Board of Management is authorized to issue

ordinary shares, including the granting of rights to acquire ordinary shares as provided for in article 6 of the Articles of Association, by a period of 18 months effective as of the date of this Shareholders Meeting (i.e. up to and including 12 November 2017) on the understanding that said authorization of the Board of Management – in conjunction with agenda item C – is limited to 10% of the issued share capital as at the date of the decision to issue shares. In the event of mergers, acquisitions and strategic alliances, aforementioned authorization of the Board of Management shall be limited to 20% of the issued share capital as at the date of the decision to issue shares. The current designation was made on 22 May 2015 for the period up to and including 22 November 2016.

B. extend the period during which the Board of Management is authorized to restrict or exclude the statutory pre-emptive rights when issuing ordinary shares, including the granting of rights to acquire ordinary shares as provided for in article 6 of the Articles of Association, by a period of 18 months effective as of the date of this Shareholders Meeting (i.e. up to and including 12 November 2017). The current designation was made on 22 May 2015 for the period up to and including 22 November 2016.

C. extend the period during which the Board of Management is authorized to issue financing preference shares as provided for in article 6 of the Articles of Association, by a period of 18 months effective as of the date of this Shareholders Meeting (i.e. up to and including 12 November 2017) on the understanding that said authorization of the Board of Management – in conjunction with agenda item A – is limited to 10% of the issued share capital as at the date of the decision to issue shares. In the event of mergers, acquisitions and strategic alliances, aforementioned authorization of the Board of Management shall be limited to 20% of the issued share capital as at the date of the decision to issue shares. The current designation was made on 22 May 2015 for the period up to and including 22 November 2016.

7. Authorization of the Board of Management to acquire shares in the share capital of the company on behalf of the company.

It was approved to grant an authorization to the Board of Management – subject to the approval of the Supervisory Board – to acquire, for a period of 18 months effective as of the date of this Shareholders Meeting (i.e. up to and including 12 November 2017), within the confines of the law and the Articles of Association and up to a maximum of 10% of the issued share capital as at the date of the decision to acquire shares:

1. paid-up ordinary shares in the share capital of the Company at a price which is at least €0.01 and which shall not be higher than the market price increased by 10%. The market price will be the average of the highest price per share as published in the Official Stock Exchange List (*Officiële Prijscourant*) of Euronext Amsterdam on each of the five trading days preceding the date of purchase.
2. paid-up financing preference shares in the share capital of the Company at a price which is equal to the amount to be paid upon cancellation of said shares in accordance with the Articles of Association which are in force at the time.

8. Approval of the cancellation of repurchased shares to reduce the issued share capital. It was approved to cancel the common and financing preference shares that have been

and may be repurchased by the Company pursuant to an authorization granted to the Board of Management, whereby the Board of Management will be authorized to implement the resolution to cancel shares and to determine (by way of resolution of the Board of Management) the number of shares to be cancelled. The Board of Management will also be authorized to implement the resolution to cancel shares in one tranche or in several. In accordance with the statutory provisions, the cancellation of (a tranche of) shares that have been or may be repurchased will not come into effect before two months have elapsed since the resolution to cancel shares has been filed at the office of the Trade Register (each time indicating the relevant tranche, if applicable) and such filing has been announced in a national daily newspaper.

9. Appointment of KPMG Accountants N.V. as the Auditor responsible for auditing the Financial statements of Corbion nv for the financial year 2017.

**Extraordinary Shareholders' Meeting held in 2016**

No Extraordinary Shareholders' Meetings were held in 2016.

#### **IV. Board of Management**

##### **Composition of the Board of Management**

The Board of Management consists of two or more members to be determined by the Supervisory Board.

The Board of Management currently consists of two persons:

##### **T. de Ruiter (1959), Chief Executive Officer**

Nationality	Dutch
Previous positions	CEO and President of LS9, Inc CEO of the Genencor division of Danisco, and a member of the Danisco Executive Committee COO Cultures, Specialities and Flavours at Danisco Several management positions at Quest International
Supervisory Directorships	Nu-Tek Food Science LLC
First appointed in	May 2014
Current term of office	2014 - 2018

##### **E.E. van Rhede van der Kloot (1963), Chief Financial Officer**

Nationality	Dutch
Previous positions	SVP Finance at Corbion CFO of Purac, a division of CSM Divisional finance director for chemicals in European region at Vopak Several technical and finance positions at Unilever
First appointed in	May 2014
Current term of office	2014 - 2018

Members of the Board of Management are appointed for a term of maximum four years. The members of the Board of Management have been appointed by the General Shareholders' Meeting of 12 May 2014.

##### **Functioning Board of Management**

The Board of Management (Chief Executive Officer and Chief Financial Officer) is entrusted with the management of the company. As per 1 January 2015, certain key officers have been appointed to manage the company together with the Board of Management. The members of the Board of Management and these key officers together constitute the Executive Committee. Under the chairmanship of the Chief Executive Officer, the members of the Executive Committee share responsibility for developing objectives and the strategy, determining the risk profile, and implementing strategic and operational policies. The Board of Management has ultimate responsibility for the company's management and the external reporting and is answerable to shareholders of the company at the annual General Shareholders' Meeting. The independent

Supervisory Board oversees and advises the Board of Management. From among its members, the Supervisory Board has appointed an Audit Committee, a Nomination Committee, a Remuneration Committee, and a Science and Technology Committee.

The Board of Management fulfills its duties by promoting the interests of Corbion and its businesses. These interests are understood as the interests of all stakeholders, including customers, shareholders, employees, suppliers, and business and financial partners. Corbion is aware of its corporate and social responsibilities and is deeply committed to protecting the interests of the community. Corbion works on the principle that corporate management should consistently develop and implement corporate policies taking into account the long-term and continuity perspective. Corbion endorses the importance of clear accountability for its policies and the results thereof.

#### **Remuneration Board of Management**

The remuneration of the Board of Management is determined by the Supervisory Board on the basis of the remuneration policy approved by the General Meeting of Shareholders.

The remuneration policy is set out in the Section “Remuneration Policy and Report” in the Report of the Board of Management. The full remuneration report is published on the Corbion website.

#### **Conflicts of interest**

As part of the terms of their employment contract, the members of the Board of Management have undertaken not to compete with the Corbion activities. Corbion’s Code of Business Conduct contains rules on the acceptance by employees, management and directors of gifts of commercial value for themselves or their relatives, on the granting of advantages to third parties to the detriment of Corbion and on taking advantage of business opportunities to which Corbion is entitled. None of the members of the Board of Management is supplier of goods or, except as is necessary for the performance of their job, of services to Corbion or its subsidiaries. During the year under review, no conflicts of interest were reported between the members of the Board of Management and Corbion or its subsidiaries.

## V. Supervisory Board

### Composition of the Supervisory Board:

The Supervisory Board consists of at least three members.

Members of the Supervisory Board are appointed for a maximum of three four-year terms.

The current members of the Supervisory Board are:

#### **M.F.J.P. Vrijzen (1947, m), Chairman**

Nationality	Dutch
Previous position(s)	Senior Vice President Global Operations and Engineering of E.I. du Pont de Nemours & Company (Du Pont) and various other positions at Du Pont
Supervisory directorships	Broadview Holding Fiets!, Belgium Casco Phil, Belgium
Additional position	Senior External Advisor McKinsey
First appointed in	2013
Current term of office	2013 - 2017

#### **R.H.P. Markham (1946, m), Vice Chairman**

Nationality	British
Previous position(s)	Executive Director and Chief Finance Officer Unilever nv
Supervisory Directorships	Non-Executive Director of Legal and General Plc, UK Non-Executive Director of United Parcel Services Inc., US Non-Executive Director of Astra Zeneca Plc, UK Director Leverhulme Trust, UK
First appointed in	2010
Current term of office	2014 - 2018

#### **M.E. Doherty (1957, F)**

Nationality	British
Previous positions	CFO and Executive Director Reckit Benckiser plc CFO and Executive Director Brambles Ltd Group International Finance Director and International Finance Director Tesco plc SVP Finance, Central and Eastern Europe, and various other positions at Unilever plc
Supervisory Directorships	Dunelm plc, UK Novartis AG, Switzerland Non-Executive Director and Audit Chair for the UK Ministry of Justice

	Agrolimen SA, the GB Foods and Affinity Petcare divisions (as from 21 February 2017)
First appointed in	2015
Current term of office	2015-2019
<b>J.P. de Kreij (1959, m)</b>	
Nationality	Dutch
Position	Vice-Chairman Executive Board and Chief Financial Officer of Royal Vopak nv
Supervisory Directorships	TomTom nv (as from 1 January 2017)
First appointed in	2011
Current term of office	2015 - 2019
<b>S. Riisgaard (1951, m)</b>	
Nationality	Danish
Previous position(s)	President & CEO of Novozymes A/S
Supervisory Directorships	Chairman of Alk-Abello, Denmark Member of Århus University, Denmark Chairman of Cowi Holding A/S, Denmark Chairman of Egmont Holding and Foundation, Denmark Vice-Chairman of Novo Nordisk Foundation, Denmark Member of Novo A/S, Denmark Vice-Chairman of Villum Foundation, Denmark Chairman of WWF, Denmark Chairman of Xellia A/S, Denmark Member of Board of VKR Holding A/S, Denmark
First appointed in	2014
Current term of office	2014 - 2018

#### **Conflicts of Interest**

In the judgement of the Supervisory Board all its members are independent as understood by the Code. The Supervisory Board rules contain provisions with regard to potential conflicts of interest. In the year under review no transactions with a potential conflict of interest were reported.

#### **Functioning of the Supervisory Board**

The duties of the Supervisory Board are to supervise the Board of Management, the effectiveness and integrity of the internal control and risk management systems and procedures put in place by the Board of Management and the general conduct of affairs within Corbion and its businesses, and to assist the Board of Management with advice in accordance with the best practices of the Code.

In addition, certain (material) decisions of the Board of Management, as specified in the law, in the Articles of Association and in the Supervisory Board rules, are also subject to the prior

agreement of the Supervisory Board. The rules of the Supervisory Board as basis for its own functioning and for its relationship with the Board of Management can be found on Corbion's website.

#### **Company Secretary**

The Supervisory Board is supported by Mr. H.G. Noppers, Company Secretary and VP Legal Affairs.

#### **Committees of the Supervisory Board**

##### Audit Committee

The members of the Audit Committee are Mr. J.P. de Kreij (Chairman), Mrs. M.E. Doherty, and Mr. R. Pieterse (until 12 May 2016). In 2016 the Audit Committee met six times in the presence of the CFO, the external auditor, the VP Group Finance, and the Senior Director Internal Audit. The agenda at these meetings covered, amongst others, the annual and half-year figures, the interim management statements, accounting issues, the operation of the internal risk management and control systems, tax matters, the financing plan, treasury, status of legal claims and litigations, status of the business conduct program, information technology developments and organization, and the reports of the internal and external auditors.

The Audit Committee closely monitors the independence of the external auditor. It evaluates the performance of the external auditor on a yearly basis and where appropriate recommends the replacement of the external auditor. Furthermore, approval of the Audit Committee is required with respect to the fees for all audit services to be performed by the external auditor as requested by the Board of Management. The Audit Committee acts as the principal contact for the external auditor in case of irregularities in the content of financial reports.

##### Nomination Committee

The Nomination Committee consists of Messrs. M.F.J.P. Vrijzen (Chairman), R.H.P. Markham, and S. Riisgaard. The Nomination Committee met five times in 2016 in the presence of the EVP Human Resources. It discussed amongst other subjects the succession planning and composition of, and changes in the Supervisory Board, the performance of the Board of Management and its members, talent management, succession planning, the people strategy, and the succession of the CTO.

##### Remuneration Committee

The Remuneration Committee consists of Messrs. R.H.P. Markham (Chairman), M.F.J.P. Vrijzen, and S. Riisgaard. The Remuneration Committee met five times in 2016 in the presence of the EVP Human Resources, and discussed amongst other subjects the remuneration of the Board of Management, the level of achievement of the 2015 Short-Term Incentive Plan (STIP) targets for the members of the Board of Management, the progress of the STIP 2016 targets and the targets of the running Long-Term Incentive Plan programs, and the target setting for STIP 2017 and LTIP 2016-2019.

#### Science and Technology Committee

The Science and Technology Committee consists of Messrs. S. Riisgaard (Chairman) and M.F.J.P. Vrijzen. The Science and Technology Committee met four times in 2016 in the presence of the CTO (or his replacement) and members of the R&D leadership team. The agenda at these meetings covered, amongst other subjects, new technologies, PLA production and application, Food applications, Biochemicals, and Medical Biomaterials , and external technology trends.

#### **Remuneration of the Supervisory Board**

The Supervisory Board members receive remuneration determined by the General Shareholders' Meeting, which remuneration is not dependent on the results of Corbion.

The remuneration policy is set out in the Section "Remuneration Policy and Report" in the Report of the Board of Management. A full remuneration report is published on the Corbion website.

No loans or advance payments or any guarantees to that effect have been granted to the members of the Supervisory Board. None of the members of the Supervisory Board has shares in the company or any option rights relating thereto (as at 3 March 2017).

#### **VI. Required information according to the EU Take-Over (Article 10) Directive Decree**

##### **The capital structure of the company**

Corbion nv is an international holding company as described by Section 153, Subsection 3 under b, of Book 2 of the Dutch Civil Code. The "large company" regime therefore does not apply to Corbion nv. Corporate governance relates to the management and supervision of the company, accountability, and the influence of stakeholders on decision-making.

Ordinary shares in Corbion are listed on Euronext Amsterdam. The financing preference shares are not listed.

As at 31 December 2016 57,862,037 ordinary shares of € 0.25 each and 2,279,781 financing preference shares of € 0.25 each had been issued, including 496,939 ordinary shares held by Corbion.

There are no special statutory rights related to the shares of the company with the understanding that regarding dividends, if possible, a dividend shall first be paid from the profit recorded in the adopted Financial statements on each financing preference share in a specific series. This dividend shall be equal to a percentage calculated on the basis of the amount paid on the financing preference shares. If the profit is insufficient the dividend on the financing preference shares shall be paid from the company reserves, with the exception of the reserves which were formed as share premium reserve upon the issue of the financing preference shares. If the dividend cannot be paid from the company reserves, it shall be paid in arrear in the subsequent financial years.

### Major Holdings

Pursuant to the Financial Supervision Act, the following notifications of capital interest in Corbion as at 31 December 2016 were reported:

		Capital interest	Voting interest
1.	NN Group N.V.	19.98%	
2.	ASR Nederland N.V.	5.20%	
3.	RWC European Focus Master Inc.	5.01%	
4.	J.O. Hambro Capital Management Limited	5.03%	
5.	Lansdowne Partners Limited	3.19%	
6.	Norges Bank	3.03%	
7.	PrimeStone Capital LLP	3.03%	
8.	BNP Paribas Investment Partners SA	2.89%	3.06%

N.B: As at 31 December 2016 Corbion nv has a capital interest of 0.83%.

### Restrictions on the transfer of securities and on voting rights

Ordinary shares in Corbion are listed on Euronext Amsterdam. The financing preference shares are not listed. No restrictions apply to the transfer of shares.

If a shareholder or group of shareholders acquires 30% or more of the share capital, the said shareholder or group of shareholders is required by law to make an offer for the entire outstanding capital.

Shareholders have voting rights in proportion to the number of shares held and there are no restrictions on the voting rights on the company's shares.

### The rules governing the appointment and dismissal of Board members and the amendment of the Articles of Association

The members of the Supervisory Board and the Board of Management are appointed by the General Shareholders' Meeting on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Shareholders' Meeting can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The General Shareholders' Meeting may decide to suspend or dismiss a member of the Board of Management or the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

Resolutions to amend the provisions in the Articles of Association and to wind up the Company may be passed only by a General Shareholders' Meeting at which at least 2/3 of the issued capital is represented and by a majority of at least 3/4 of the votes cast. If however a proposal for a resolution as referred to in the preceding sentence is made jointly by all the members of the Board of Management in office and if such proposal is put to the General Shareholders' Meeting with the joint approval of all the Supervisory Board members in office, the said resolution may be passed by an absolute majority of the votes cast, irrespective of the capital represented.

When a proposal to amend the Articles of Association is made, such proposal must always be mentioned in the notice convening the General Shareholders' Meeting; a copy of the proposal, containing the exact wording of the amendment(s), must be deposited for perusal by any holder of participation rights at the Company's office from the time of the convening of the meeting until the time of the end of the meeting, and a free copy of the said proposal must be obtainable by any holder of participation rights at the company's office; mention must be made of such deposit in the notice convening the meeting.

Amendments to the Articles of Association that entail changes to the rights granted to the holders of financing preference shares from one or more specific series must first be approved by the meeting of holders of such series (whether one or more) of financing preference shares.

**The rules on the issuance and repurchase of shares by the Company.**

The powers of the Board of Management relating to the issuance of shares of the company and those relating to the acquisition by the company of shares in its own capital are set out in article 6 of the Articles of Association.

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**Significant agreements to which the Company is a party and which contain change of control rights except where their nature is such that their disclosure would be seriously prejudicial to the Company**

The contractual conditions of most of the Company's important financing agreements and notes issued (potentially) entitle the banks and noteholders respectively to claim early repayment of the amounts borrowed by the Company in the situation of a change of control over the Company (as defined in the respective agreement).

With respect to agreements entered into with members of the Board of Management that provide for payment upon termination of their employment following a public bid, please refer to the description of the remuneration policy on the Company's website.