

Corporate governance statement

The issue of corporate governance and Ordina's response to the updated Dutch Corporate Governance Code were topics of discussion at the Annual General Meeting of Shareholders of 2010.

The Supervisory Board and the Management Board bear joint responsibility for the corporate governance structure of Ordina N.V. This structure is evaluated annually. The Supervisory Board and the Management Board subscribe to the principle that corporate governance is a matter of customisation and that variances from, or qualifications of, specific provisions by an organisation may be justified.

This year, the Supervisory Board and the Management Board evaluated the company's corporate governance structure in light of the amended Dutch Corporate Governance Code, which has been in effect since the financial year 2009 ("the Code"). In doing so, the Supervisory Board and the Management Board established that the company fully subscribes to nearly all principles and best practices of the Code, and applies them when appropriate. The Code is not fully applied in an extremely limited number of instances. In addition, some principles and best practices are not applicable, due in part to the company's statutory structure. Any instances of non-compliance are explained.

Ordina N.V. has formulated a corporate governance statement addressing how it approaches the issues described in the Code. This statement has been posted on the Ordina website. The website also offers a comprehensive list of the opinions held by Ordina N.V. in relation to all principles and best practices of the Code (the comply-or-explain statement).

Our corporate governance statement reads as follows:

1. MANAGEMENT BOARD

The Supervisory Board and the Management Board subscribe to the principle as outlined in Code that the Management Board, in addition to being responsible for the company's operations management, also bears responsibility for defining and achieving the company targets, its strategy and associated risk profile, and any relevant corporate social responsibility aspects. The Management Board is held accountable for these aspects by the Supervisory Board and the Annual General Meeting of Shareholders. In performing its duties, the Management Board has regard to the interests of the company, weighing the justifiable interests of any stakeholders.

The members of the Management Board manage the company together, and bear joint and several liability in this respect. There is a division of duties among the members of the Management Board, which has been approved by the Supervisory Board. The Chairman of the Management Board and CEO leads the Management Board. The Chief Financial Officer is specifically in charge of financial affairs. The Management Board is responsible for adequate information provision to the Supervisory Board.

Members of the Management Board will not hold more than two supervisory director positions with listed companies, nor will they act as chairman of a supervisory board of a listed company. Acceptance by a Management Board member of a seat on a supervisory board is subject to the approval of the Supervisory Board. Other important posts held by a Management Board member are reported to the Supervisory Board.

The Management Board abides by rules of procedure adopted by the Supervisory Board, containing guidelines for the performance of the Management Board, and its relations with the Supervisory Board, the shareholders and the Central Works Council. The rules for the Management Board have been posted on the corporate website.

Ordina has a Code of Conduct containing business principles and whistle-blowing procedures. Both have been posted on the corporate website.

On pages 47 and 48 of the Annual Report for 2009, the Management Board describes the principal risks inherent in the company strategy, as well as the design and effectiveness of the internal risk management and control systems relating to the principal risks in the financial year and any key weaknesses identified in the internal risk management and control systems during the financial year, and any planned significant changes and substantial improvements. The Annual Report for 2009 also includes a statement as referred to in provision II.1.5 of the Code.

As Ordina is a two-tier company, the members of the Management Board are appointed and removed by the Supervisory Board. The Supervisory Board informs the Annual General Meeting of Shareholders of any intended appointment or removal of a member of the Management Board.

In accordance with the Code, members of the Management Board are appointed for a term of no more than four years. Their employment contracts are of definite duration. They step down after the first Annual General Meeting of Shareholders in the fourth year following their year of appointment. Members of the Management Board can be reappointed without limitation; each period of reappointment is capped at four years. Any contracts agreed with appointed members of the Management Board before the Code took effect will be respected; their appointments and employment contracts are of indefinite duration.

If a new member is appointed to the Management Board, the key elements of their employment contract are posted on the corporate website in accordance with the Code.

Ordina subscribes to the provisions of the Code in relation to the level and composition of the remuneration of the members of the Management Board and their disclosure.

The Supervisory Board prepares a proposal for the remuneration policy for the Management Board, which is evaluated on an annual basis. Considering that the Supervisory Board has relatively few members, it has opted to perform the duties of the remuneration committee as a group. Any proposal by the Supervisory Board for an update of, or a significant amendment to, the remuneration policy is presented to the Annual General Meeting of Shareholders for adoption. In addition, the Supervisory Board prepares a remuneration report every year. This report contains a description of how the remuneration policy was given practical application in the financial year. The report also discloses the total remuneration paid to the members of the Management Board, broken down by the different components, and gives an overview of the remuneration policy adopted by the shareholders for the coming reporting period and the following years.

The remuneration report is included in the Annual Report, as part of the Report of the Supervisory Board, as well as being posted on the corporate website.

The remuneration of the individual members of the Management Board is determined by the Supervisory Board within the boundaries of the remuneration policy. The policy starts from the premise that the variable pay component of the members of the Management Board should be linked to predetermined challenging and manipulable targets. The short-term bonus is a cash payment that is directly linked to developments in net earnings per share in the reporting period. The long-term bonus is a share-based payment that is awarded to the members of the Management Board if they meet or exceed the defined targets. The defined targets relate to revenue and profit developments. The shares are subject to a five-year lock-up period after their conditional grant, on the understanding that the members of the Management Board will have the right to sell no more than 50% of the shares acquired in Ordina N.V. on vesting as is required to meet their payroll tax liability. Ordina does not at present grant options to the members of the Management Board.

The remuneration structure is such that there is a balance between short-term and long-term focus, serving the company's interest in the medium to long term. The Supervisory Board determines the level and the structure of the remuneration by reference to scenario analyses and with due regard for the pay differentials within the Ordina Group as a whole. With effect from the financial year

2010, allowance has been made for both financial and non-financial indicators that are relevant to the targets of the Ordina Group. In the Supervisory Board's opinion, significant weight should continue to be attributed to further improvements in the profit margin, and short-term and long-term revenue and profit developments when determining these performance indicators.

In disclosing information about variable pay incentives in the remuneration report, the company seeks to strike a fair balance between transparency on the one hand and the protection of sensitive competitive information on the other.

The Supervisory Board has the option, if any variable pay incentives were awarded on the basis of incorrect financial or other information, to adjust these and the company has the right to recover (that part of) the variable pay from a managing director that was awarded on the basis of such incorrect financial or other information (claw-back clause).

The Supervisory Board has the power, with regard to the remuneration of all members of the Management Board, to increase or reduce their variable pay incentives in any financial year if unchanged application of the agreed arrangements were to have an unreasonable or unintended effect in the Supervisory Board's opinion. The Supervisory Board will use the above powers as an ultimate remedy only.

It is agreed with members of the Management Board whose contracts are of definite duration that, should they be removed during their term of office, their severance payment will be capped at one year's fixed salary except where this would be unreasonable under the circumstances, in which case a member of the Management Board will qualify for a payment equalling twice their fixed annual salary. If newly to be appointed members of the Management Board are from Ordina's own talent pool, the company reserves the right to consider any previously accrued entitlements in determining the level of the severance payment.

Ordina subscribes to the principle and best practice provisions in relation to conflicts of interest. Decisions to conduct transactions where Management Board members may have conflicts of interest that are of material significance to the company and/or to the managing director in question are subject to the approval of the Supervisory Board. The rules of procedure for the Management Board contain guidelines for how to resolve potential conflicts of interest. These rules stipulate, for instance, when a situation involves a conflict of interest and how a member of the Management Board should report a conflict of interest. They also contain provisions for the non-involvement of the Member of the Management Board in question in the related decision-making process and the approval procedure by the Supervisory Board. Any transactions involving a conflict of interest will be reported and disclosed in the Annual Report.

2. SUPERVISORY BOARD

The role of the Supervisory Board is to supervise the policies of the Management Board and the general business of the company and its affiliated enterprises. The Supervisory Board meets both with and without the Management Board being present. The Supervisory Board also advises the Management Board. In performing its duties, the Supervisory Board has regard to the interests of the company and its affiliated enterprises, weighing the justifiable interests of any stakeholders. The Supervisory Board also considers any corporate social responsibility aspects that are relevant to the company. Ordina subscribes to the Code's principles and best practice provisions in relation to the Supervisory Board.

Considering that the Supervisory Board has relatively few members, it has opted not to form any sub-committees as mentioned in the Code. Ordina does not have a one-tier board. In view of the above, a limited number of the Code's best practices do not apply.

The Supervisory Board meets with the Management Board every year in accordance with a predefined schedule. Interim meetings are scheduled where necessary. The supervisory directors discuss the agenda items amongst themselves prior to the plenary meetings. In addition to the

members' discussions prior to the plenary sessions with the Management Board, the Supervisory Board meets once every year without the Management Board being present.

During its meetings with the Management Board, the Supervisory Board discusses corporate strategy and the principal risks inherent in the business, as well as the outcome of the assessment by the Management Board of the design and effectiveness of the internal risk management and control systems, and any significant changes to these systems. Every year, the Report of the Supervisory Board contains an elaborate account of the issues discussed during the meetings with the Management Board. The full Supervisory Board was present at virtually all these meetings.

The Supervisory Board is governed by rules of procedure and a profile. The rules of procedure contain guidelines for the performance of the Supervisory Board, and its relationship with the Management Board, the shareholders and the Central Works Council. The profile dictates a set of requirements for the size, composition and desired background and expertise of the Supervisory Board and its members. The profile also addresses aspects of diversity in the composition of the Supervisory Board that are relevant to the company.

Making allowance for the limited size of the Supervisory Board, it would be unrealistic to use thresholds for the different aspects of diversity. The Supervisory Board discusses changes to the profile in the Annual General Meeting of Shareholders and with the Works Council. Both the rules of procedure and the profile for the Supervisory Board have been posted on the corporate website.

The Supervisory Board meets at least once a year without the Management Board being present to discuss its own performance, the performance of the Supervisory Board's separate committees and the performance of the individual supervisory directors, addressing also the related conclusions. Other topics of discussion include the desired profile, and the composition and competencies of the Supervisory Board. The Supervisory Board also meets once a year without the Management Board being present to discuss the performance of the Management Board as a body and the performance of its individual members, as well as the related conclusions.

The Report of the Supervisory Board describes how the performance of the Supervisory Board, the separate committees and the individual supervisory directors were evaluated.

Ordina is a two-tier company with ordinary voting shares in bearer form; no depositary receipts for shares have been issued. The Articles of Association offer the option of issuing preference shares.

The members of the Supervisory Board are appointed by the Annual General Meeting of Shareholders on the recommendation of *Stichting Prioriteit Ordina Groep*, a priority trust. The nomination is based on the profile prepared by the Supervisory Board. The Works Council has an enhanced right of recommendation with respect to one-third of the members of the Supervisory Board. The members of the Supervisory Board can serve no more than two four-year terms. A supervisory director can be removed from office before the end of their term by the Enterprise Section of the Court of Appeal for neglecting their duties, other urgent reason or a drastic change in circumstances based on which the company cannot reasonably be expected to keep the supervisory director on. By absolute majority of the vote, representing at least one-third of the issued capital, the Annual General Meeting of Shareholders may pass a motion of no confidence in the full Supervisory Board. Such a resolution will result in the immediate removal of all members of the Supervisory Board.

As regards the independence of supervisory directors as referred to in best practice provision III.2.1, Ordina would note that all current supervisory directors qualify as independent for the purposes of the Code and that this is reported as such in the Report of the Supervisory Board.

Ordina subscribes to the principle and best practice provisions in relation to conflicts of interest. The above comments involving the Management Board apply to the members of the Supervisory Board as well. The rules of procedure for the Supervisory Board contain detailed guidelines for how to resolve potential conflicts of interest.

Ordina has defined rules for holding, and trading in, securities other than those issued by the company by members of the Supervisory Board and Management Board. These rules are formalised in the Ordina Rules for the Prevention of Insider Trading.

3. SHAREHOLDERS

Ordina subscribes to the Code's principles and best practice provisions in relation to shareholders and shareholders' meetings.

Ordina N.V. is a two-tier company whose ordinary shares are listed on Amsterdam's NYSE Euronext. The company does not have any provisions that restrict voting rights. No depositary receipts for shares have been issued with the cooperation of the company. In view of the above, a limited number of the Code's best practices do not apply.

The Management Board or, where appropriate, the Supervisory Board will provide all shareholders and other parties in the financial market with equal and simultaneous information about matters that may influence the share price. Analyst meetings and press conferences are announced in advance via Ordina's corporate website and are open to all shareholders via webcasting. Analyst presentations and presentations at shareholders' meetings are posted on the corporate website during or immediately following such a meeting. Analyst reports and valuations are reviewed only for factual errors. A press release will be issued immediately if, during contacts with the press, investors or analysts, price-sensitive information is accidentally disclosed. Ordina does not talk about financial issues with investors or analysts during closed periods.

In the opinion of the Supervisory Board and the Management Board, it is in the interest of the company that as many shareholders as possible express their opinions on the motions presented during shareholders' meetings. The company's Articles of Association offer the option of setting a registration date, reducing the term during which shareholders cannot exercise control over their shares. The Management Board has availed itself of the option to set a registration date to encourage shareholders to express their opinions in shareholders' meetings. The company also allows shareholders to vote by proxy containing voting instructions; an independent third party can be asked to vote by proxy where desired.

In accordance with the relevant statutory provisions and the company's Articles of Association, notices convening shareholders' meetings, agendas of meetings and documentation for meetings are duly posted on the corporate website. The agenda of a shareholders' meeting lists which items will be discussed and which will be subject to a vote.

The company invites shareholders to submit questions prior to the meeting, so that they can be answered by the company during the meeting.

Resolutions involving a major change in the identity or character of the company or the business are subject to the prior approval of the Annual General Meeting of Shareholders. This would include transferring (virtually all of) its operations, concluding a long-term partnership that is of great significance to the company, i.e. entering into an alliance or acquiring or disposing of an equity interest worth at least one-third of the consolidated total assets.

If a serious private bid is made for a business segment or an associate whose value corresponds to at least one-third of the consolidated total assets and this bid is made public, the Management Board will, at its earliest convenience, make public its position on the bid and the reasons for this position.

Resolutions to amend the company's Articles of Association can be adopted by the Annual General Meeting of Shareholders by a simple majority of votes as proposed by the priority trust and subject to the approval of the Supervisory Board. Each material amendment to the Articles of Association will be submitted separately to the Annual General Meeting of Shareholders, in which process

different amendments to the Articles of Association can be tabled as a package if the Management Board feels that this is desirable with a view to the coherence of such amendments. This is subject to the approval of the Supervisory Board.

Shareholders have the right to place an item on the agenda of a shareholders' meeting provided that they observe the relevant statutory provisions. The Management Board can ask for a response time to comment on a request to propose a specific motion. The Supervisory Board and the Management Board cannot refuse to place an issue on the agenda unless this should be contrary to any overriding interest of the company.

A motion is put annually to the Annual General Meeting of Shareholders to authorise *Stichting Prioriteit Ordina Groep*, the priority trust, to issue and/or grant rights to subscribe for shares. This is subject to the approval of the Supervisory Board. This authorisation is governed by a time limit of 18 months after the date on which the meeting granting the authorisation was held. In terms of scope, the authorisation is capped at 20% of the share capital issued at that time. The meeting is also asked, subject to the approval of the Supervisory Board, to authorise exclusion or restriction of the pre-emption right upon issuing or granting rights to subscribe for shares respectively. The shareholders' meeting is requested also to grant authorisation to the Management Board for a period of 18 months to allow the purchase of treasury shares, within the boundaries of the law and the Articles of Association, and the bandwidth mentioned in the authorisation. Every motion to grant one of the above authorisations is submitted to the shareholders separately.

In accordance with the Code, shareholders are provided with reports of shareholders' meetings. The outcome of the vote held during a shareholders' meeting is published – for each agenda item separately – on the corporate website within 15 calendar days of the date of the meeting.

Where known to Ordina, details on majority shareholders in Ordina N.V. are posted on the corporate website based on a notification under the Dutch Financial Supervision Act.

4. FINANCIAL REPORTING AND ROLE OF THE AUDITOR

Ordina subscribes to the Code's principles and best practice provisions in relation to financial reporting. The Management Board is responsible for the quality and completeness of the financial disclosures. The Supervisory Board monitors whether the Management Board discharges this responsibility.

Ordina also subscribes to the Code's principles and best practice provisions in relation to the role, appointment, fees and performance assessment of the external auditor. We would emphasise that the external auditor is expected to attend the AGM so that they can be questioned by shareholders about their opinion on the true and fair view of the financial statements.

The Supervisory Board as a whole takes on the role of audit committee, as referred to in the Decree of 26 July 2008 Implementing Article 41 of Directive 2006/43/EC. The company's external auditor attends the meeting where the annual results and the half-year results, and the findings resulting from the year-end and interim audits are discussed. The external auditor reports their findings in relation to the audit of the financial statements to the Management Board and the Supervisory Board at the same time. The Supervisory Board meets with the external auditor once a year without the Management Board being present. The Supervisory Board is free to seek direct contact with the external auditor as often as the supervisory directors deem necessary. The external auditor receives the financial information underlying the adoption of the quarterly and half-year figures and other interim reports, and is given the opportunity to respond. The corporate governance structure described here was discussed at the Annual General Meeting of Shareholders of 12 May 2010. The company will consistently submit any substantial changes in the main features of the corporate governance structure to the shareholders for discussion.