

## Wolters Kluwer N.V.

### **TERMS OF REFERENCE SELECTION AND REMUNERATION COMMITTEE**

Adopted by the Supervisory Board on July 28, 2009

#### **0. INTRODUCTION**

- 0.1 These Terms of Reference have been drawn up by the Supervisory Board pursuant to clause 5 of the By-Laws of the Supervisory Board.
- 0.2 The Selection and Remuneration Committee is a standing committee of the Supervisory Board.

#### **1. COMPOSITION**

- 1.1 The Selection and Remuneration Committee shall consist of at least three members. All members of the Selection and Remuneration Committee must also be members of the Supervisory Board. All members of the Selection and Remuneration Committee shall be independent within the meaning of clause 1.4 of the By-Laws of the Supervisory Board, with the exception of no more than one member.<sup>1</sup>
- 1.2 The members of the Selection and Remuneration Committee shall be appointed annually and may be replaced at any time by the Supervisory Board. The Supervisory Board shall appoint one of the members of the Selection and Remuneration Committee as Chairman of the Committee.
- 1.3 The Selection and Remuneration Committee shall not be chaired by the Chairman of the Supervisory Board, the Chairman of the Audit Committee or by a former member of the Executive Board of the Company, or by a Supervisory Board member who is a member of the management board of another listed company.<sup>2</sup>

#### **2. DUTIES AND POWERS REGARDING NOMINATIONS**

- 2.1 The Selection and Remuneration Committee has the following duties:
  - (a) to draft selection criteria and appointment procedures for Supervisory Board members and Executive Board members;<sup>3</sup>

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision III.5.1.

<sup>2</sup> Dutch Corporate Governance Code, best practice provision III.5.11.

<sup>3</sup> Dutch Corporate Governance Code, best practice provision III.5.14, part a.

- (b) to assess periodically the size and composition of the Supervisory Board and the Executive Board, and to make proposals for the Supervisory Board Profile if a change thereto is considered desirable;<sup>4</sup>
  - (c) to assess at least once a year the functioning of individual Supervisory Board members and Executive Board members, and report their findings to the Supervisory Board;<sup>5</sup>
  - (d) to make proposals for (re)appointments;<sup>6</sup>
  - (e) to supervise the policy of the Executive Board on the selection criteria and appointment procedures for senior management;<sup>7</sup>
  - (f) to prepare the decision-making process of the Supervisory Board on the acceptance by a member of the Executive Board of the membership of the Supervisory Board of a listed company; and
  - (g) to prepare the decision-making process of the Supervisory Board concerning any conflicts of interest that may arise in the acceptance by members of the Supervisory Board of additional positions.
- 2.2 When exercising its duties regarding the composition of the Supervisory Board, the Selection and Remuneration committee shall observe the criteria on the composition of the Supervisory Board as laid down in clause 1 of the By-Laws of the Supervisory Board.
- 2.3 The Selection and Remuneration Committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and may never exercise powers beyond those exercisable by the Supervisory Board as a whole.

### **3. DUTIES AND POWERS REGARDING REMUNERATION**

3.1 The Remuneration Committee has the following duties:

- (a) making proposals to the Supervisory Board for the remuneration policy to be pursued for members of the Executive Board, which policy, as well as any material changes thereto, shall be submitted to the General Meeting of Shareholders for adoption;<sup>8</sup>
- (b) making proposals for the remuneration of the individual members of the Executive Board and submit to review of the full Supervisory Board; such proposals shall, in any event, deal with:<sup>9</sup>
  - (i) the remuneration structure; and
  - (ii) the amount of the fixed remuneration, shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy

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<sup>4</sup> Dutch Corporate Governance Code, best practice provision III.5.14, part b.

<sup>5</sup> Dutch Corporate Governance Code, best practice provision III.5.14, part c.

<sup>6</sup> Dutch Corporate Governance Code, best practice provision III.5.14, part d.

<sup>7</sup> Dutch Corporate Governance Code, best practice provision III.5.14, part e.

<sup>8</sup> Dutch Corporate Governance Code, best practice provision III.5.10, paragraph a; see also draft Section 2:135 BW .

<sup>9</sup> Dutch Corporate Governance Code, best practice provision III.5.10, paragraph b.

pay and other forms of compensation awarded, as well as the performance criteria and their application;

- (c) to prepare the Remuneration Report referred to in clause 11.1 of the By-Laws of the Supervisory Board;<sup>10</sup> and
- (d) to make proposals to the Supervisory Board for the remuneration of the individual members of the Supervisory Board, which remuneration will be submitted to the General Meeting of Shareholders for adoption.

3.2 The Selection and Remuneration Committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and it may never exercise powers beyond those exercisable by the Supervisory Board as a whole.

3.3 If the Selection and Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the Company's Executive Board members.<sup>11</sup>

#### **4. MEETINGS**

4.1 The Selection and Remuneration Committee shall meet as often as required for a proper functioning of the Selection and Remuneration Committee. The Selection and Remuneration Committee shall meet at least twice a year. The meetings are as much as possible scheduled annually in advance. The Selection and Remuneration Committee shall meet earlier if this is deemed necessary by the Chairman of the Selection and Remuneration Committee, or by two other members of the Selection and Remuneration Committee.

4.2 Meetings of the Selection and Remuneration Committee are in principle called by the Chairman of the Selection and Remuneration Committee.

4.3 The Selection and Remuneration Committee shall decide when the Chairman of the Executive Board should attend its meetings. In addition, the head of the HR department of the Company and/or independent experts may be invited to attend meetings of the Selection and Remuneration Committee. Each member of the Supervisory Board may attend meetings of the Selection and Remuneration Committee.

4.4 One of the attendees of the meeting, designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Selection and Remuneration Committee.

4.5 The Selection and Remuneration Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

#### **5. REPORTING TO THE SUPERVISORY BOARD**

5.1 The Selection and Remuneration Committee must inform the Supervisory Board in a clear and timely manner about the way it has used delegated powers and of major developments in the area of its responsibilities.

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<sup>10</sup> Dutch Corporate Governance Code, best practice provision III.5.10, paragraph c.

<sup>11</sup> Dutch Corporate Governance Code III.5.13.

5.2 The Supervisory Board shall receive from the Selection and Remuneration Committee a report of its deliberations and findings.<sup>12</sup>

5.3 If requested, the Chairman of the Selection and Remuneration Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Selection and Remuneration Committee.

## **6. MISCELLANEOUS**

6.1 The Supervisory Board may occasionally decide not to comply with these Terms of Reference, subject to applicable law and regulations.

6.2 The Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Selection and Remuneration Committee.

6.3 Clauses 21.4 to 21.7 inclusive of the By-Laws of the Supervisory Board apply by analogy to the Selection and Remuneration Committee, while for the application of these Terms of Reference the power of the Supervisory Board or the Chairman of the Supervisory Board referred to in these Clauses is considered a power of the Supervisory Board or the Chairman of the Supervisory Board.

6.4 The annual report of the Supervisory Board as referred to in clause 8.3 of the By-Laws of the Supervisory Board shall state the composition of the Selection and Remuneration Committee, the number of meetings held by the Selection and Remuneration Committee and the main issues dealt with at these meetings.<sup>13</sup>

6.5 These Terms of Reference and the composition of the Selection and Remuneration Committee are posted on the Company's website.<sup>14</sup>

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<sup>12</sup> Dutch Corporate Governance Code, best practice provision III.5.3.

<sup>13</sup> Dutch Corporate Governance Code, best practice provision III.5.2.

<sup>14</sup> Dutch Corporate Governance Code, best practice provision III.5.1.