

## EURAND N.V.

### PROFILE OF THE BOARD OF DIRECTORS

#### 1. General information

- 1.1 The business and affairs of the company will be managed by or under the direction of the Board of Directors, including through one or more of its committees as set forth in the Articles of Association and committee charters. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities.
- 1.2 In addition to the responsibilities that follow from the law, the Articles of Association, Board Rules and the company's Code of Ethics, the Board shall be collectively responsible for the management, general and financial affairs and policy and strategy of Eurand Group.
- 1.3 The Board will maintain an Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and such other committees as it determines appropriate from time to time.
- 1.4 The Articles provide that the number of directors will be fixed from time to time by resolution of a majority of the Board, but in no event will be less than three. The Board will periodically review the size of the Board, and determine the size that is most effective in relation to future operations. The majority of the members shall be non-executive directors. At the moment the Board consists of five directors: one executive director (the CEO and Chairman of the Board) and four non-executive directors.
- 1.5 The executive director/CEO is primarily responsible for managing the operational running of the Eurand Group. The CEO has all powers, authority and discretions that are necessary for the day-to-day running of the Eurand Group. In doing so, the CEO shall closely cooperate with his senior managers.
- 1.6 The role of the non-executive directors is to supervise and support the policies of the CEO and the general affairs of the Eurand Group, as well as to assist the CEO by providing advice. In discharging their role, the non-executive directors shall be guided by the interests of the Eurand Group, and shall, within the boundaries set by relevant Dutch corporate law, take into account the relevant interests of the company's shareholders.
- 1.7 As Eurand Group's situation, markets and environment change, the Board's need for specific competences will change. Therefore the profile of the Board shall be reviewed at least every three (3) years in the light of changing circumstances and against the background of the company's prevailing situation.

#### 2. Profile of the Board

##### 2.1 Composition in general

- a. Each Board member shall be capable of assessing the broad outline of the overall policy. Each Board member shall have the specific expertise required for the fulfilment of the duties assigned to the role designated to him or her within the frame work of the Board profile. Each Board member shall have sufficient time available for the proper

performance of his or her duties. The composition of the Board shall be such that is able to carry out its duties properly.

- b. The Board shall have at least three members. In accordance with the Dutch Corporate Governance Code, a director is appointed for a maximum of four years. An executive director may be reappointed for consecutive terms of not more than four years at a time. A non-executive director may at a maximum be reappointed for two consecutive four-year terms. The Board will review the performance of its members on an annual basis.
- c. The Board shall consist of a mix of persons with executive experience, preferably gained in the private sector, experience in corporate governance of large stock-listed companies and experience in the political and social environment in which such companies operate. The Board shall preferably have at least two members with CEO or similar background and experience and preferably one member, who is active as an executive outside Eurand.
- d. With respect to diversity in the composition of the Board the objective pursued by the Board and the Nominating and Corporate Governance Committee is to have a variation of age, gender, expertise, social background and nationality. In as much as possible a balance shall be strived for to achieve the abovementioned variation.

## 2.2 Primary areas of competence that must be covered

- a. The Nominating and Corporate Governance Committee may establish or approve the criteria for Board membership, which criteria shall cover such areas as diversity, experience and skill. The Nominating and Corporate Governance Committee shall identify and recommend to the Board director for proposal to the shareholders director nominees with the highest degree of personal and professional integrity. Director nominees shall have demonstrated strong personal and professional qualities, and shall be selected with the primary goal of ensuring that the entire Board collectively serves the interests of the shareholders;
- b. Understanding of the Company's business on a technical level and experience in the Company's industry and with relevant social policy concerns;
- c. The ability to make independent analytical inquiries;
- d. Experience in management and organizational issues, international acquisitions and joint ventures;
- e. Other board service and educational and professional background;
- f. A general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment;
- g. In possession of fundamental qualities of intelligence, honesty, good judgment, high ethics and standards of integrity, fairness and responsibility.

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