

**Ontex Group NV**  
**Corporate Governance Charter**  
**Dated 28 June 2016**

**1 Introduction**

This corporate governance charter (the “**Corporate Governance Charter**”) has been approved by the board of directors (the “**Board of Directors**”) of Ontex Group NV (the “**Company**”), which will review the Corporate Governance Charter at regular intervals and adopt any changes deemed necessary and appropriate.

The Company is committed to high standards of corporate governance and has elected to apply the Belgian Code on Corporate Governance of 12 March 2009 (the “**Corporate Governance Code**”) as a reference code. The Corporate Governance Code is based on a “comply or explain” approach. Listed companies should follow the Corporate Governance Code, but may deviate from those provisions which are not otherwise contained in the Companies Code or other applicable law, provided that they disclose the justification for any such deviation in the corporate governance statement included in the annual report.

The Board of Directors strives to comply with the Corporate Governance Code except in respect of the following and subject to change:

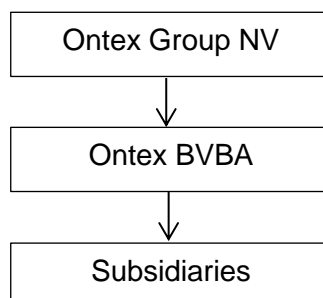
- the articles of association of the Company (the “**Articles of Association**”) allow the Company to grant shares, stock options and other incentives vesting earlier than three years after their grant;
- in accordance with Article 554, 4<sup>th</sup> indent, of the Companies Code, with respect to Charles Bouaziz and Artipa BVBA, with Thierry Navarre as its permanent representative, the annual shareholders’ meeting of May 26, 2015 approved a severance payment exceeding 18 months of remuneration in certain circumstances; and
- in accordance with Article 554, 4<sup>th</sup> indent of the Companies Code, with respect to the other members of the Management Committee, the Remuneration and Nomination Committee supported by way of motivated advice severance payment exceeding 12 months (not exceeding 18 months) of remuneration, in certain circumstances.

The Company deems such deviations from the Corporate Governance Code necessary to attract and retain competent managers in the competitive environment in which the Company operates.

## 2 Shareholdings

### 2.1 Group structure

The structure of the Group is as follows:



### 2.2 Main shareholders and shareholders' agreement

To the knowledge of the Company, no shareholders' agreements are currently in place.

### 2.3 Notification of significant shareholdings

In accordance with the Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions (the "**Transparency Law**") and the Royal Decree of 14 February 2008 on the disclosure of significant shareholdings, in each case as amended from time to time, a notification to the Company and the FSMA is required by any natural or legal person, if the percentage of voting rights attached to the securities held by such person reaches, exceeds or falls below the legal thresholds, set at 5% of the total voting rights, and 10%, 15%, 20% and so on at intervals of 5%, or, as the case may be, the additional thresholds provided in the Articles of Association. The Company has provided for additional thresholds at 3% and 7.5% in the Articles of Association.

The notification must be made promptly and at the latest within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Company receives a notification regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

No shareholder may cast a greater number of votes at a Shareholders' Meeting than those attached to the rights or securities that it notified in accordance with the Transparency Law at least 20 days before the date of the Shareholders' Meeting, subject to certain exceptions.

### 2.4 Related party transactions

Save for certain exempted decisions or transactions, Article 524 of the Companies Code provides for a special procedure to apply when decisions or transactions of the Company concern relationships between the Company on the one hand, and affiliated companies of the Company on the other hand, with the exception of relationships between the Company and its subsidiaries.

The procedure must also be followed for decisions or transactions between the Company's subsidiaries on the one hand and affiliated companies of the Company's subsidiaries on

the other hand, with the exception of relationships between the Company's subsidiaries and such subsidiaries' subsidiaries.

Prior to such decisions or transactions, the Board of Directors must appoint a special committee of three independent directors in accordance with Article 526*ter* of the Companies Code, supported by one or more independent experts appointed by the special committee. This committee must describe the nature of the decision or transaction and determine the commercial advantages and disadvantages of the decision or transaction for the Company and its shareholders. It must also calculate and establish the financial consequences of the decision or transaction, and determine whether or not the decision or transaction causes harm, which is manifestly detrimental in light of the Company's policies, to the Company. If the committee does not find the decision or transaction to be manifestly detrimental, but believes it will harm the Company, it must clarify what benefits the decision or transaction will accrue in compensation for the identified harm. The committee's recommendation must be submitted in writing, stating each of the above elements, to the Board of Directors. The Board of Directors must then make a decision, taking into account the committee's recommendation.

The minutes of the Board of Directors must mention whether the procedure has been complied with and, if applicable, include a justification of any deviation from the committee's recommendation. The written recommendation of the committee and the decision of the Board of Directors must be communicated to the statutory auditor, who must issue a separate opinion, which must be annexed to the minutes of the Board of Directors on the accuracy of the data contained in the recommendation of the committee and in the minutes of the Board of Directors. The committee's recommendation, an excerpt from the minutes of the Board of Directors and the opinion of the statutory auditor must be included in the annual report of the Board of Directors.

This special procedure is not required for decisions and transactions entered into in the ordinary course of business at usual market conditions or for decisions and transactions in value not exceeding 1% of the Company's consolidated net assets.

### **3 Board of Directors**

#### **3.1 Powers and responsibilities**

##### **3.1.1 General**

The Board of Directors has established a Management Committee ("*directiecomité*" / "*comité de direction*") within the meaning of Article 524*bis* of the Companies Code. In accordance with such Article, the Board of Directors has delegated to the Management Committee all its management powers, except (i) those powers expressly reserved to the Board of Directors by law, (ii) matters belonging to the general policy of the Company, and (iii) the supervision of the Management Committee.

The Board of Directors has delegated certain powers to the CEO (see Section 6).

### 3.1.2 Responsibilities

The Board of Directors shall, as part of its reserved powers:

- ensure that an internal control system and procedures are put in place, including an appropriate risk identification and management system and procedures to ensure legal compliance;
- monitor the functioning and adequacy of the internal control system and procedures, taking into account the review made by the Audit and Risk Committee;
- take the necessary measures to ensure the integrity of the financial statements;
- oversee the management by the Management Committee, the CEO and the other members of the Management Committee;
- evaluate the performance of the Management Committee, the CEO and the other members of the Management Committee on a regular basis;
- appoint or remove the CEO, upon recommendation by the Remuneration and Nomination Committee, and the other members of the Management Committee, upon proposal by the CEO and recommendation by the Remuneration and Nomination Committee;
- approve (the principles governing) the remuneration of the CEO, upon recommendation by the Remuneration and Nomination Committee, and of the other members of the Management Committee, upon proposal by the CEO and recommendation by the Remuneration and Nomination Committee, including any share-based or other incentives (without prejudice to the powers of the Shareholders' Meeting, to the extent applicable);
- regularly review the strategy and business plan as prepared by the Management Committee, among others by (i) developing an in-depth knowledge of the Company's business, (ii) understanding and questioning the plan's assumptions, and reaching an independent judgment as to the probability that the plan can be realised; and (iii) monitoring corporate performance against the strategic targets and business plan;
- review, approve and monitor the Company's financial objectives;
- monitor and review the effectiveness of the Audit and Risk Committee and the Remuneration and Nomination Committee (together the "**Board Committees**");
- monitor the activities of the statutory auditor and the internal audit department, taking into account the review made by the Audit and Risk Committee; and
- decide upon, monitor, and periodically review its delegation of powers to the Management Committee.

### 3.1.3 Information to the Board

The Board of Directors will take the necessary measures in order to ensure that it is informed on a regular basis on:

- the progress towards the implementation of the business plan; and
- key business developments, key figures and key decisions of the Management Committee.

## 3.2 Composition

### 3.2.1 General

Pursuant to the Articles of Association, the Board of Directors must be composed of at least six members and may be composed of a maximum of 15 members.

As of the date of this Corporate Governance Charter, the Board of Directors comprises eight members.

In accordance with the Corporate Governance Code, the term of office of directors does not exceed four years. The directors are eligible for re-election.

The appointment and re-election of directors is based on a recommendation of the Remuneration and Nomination Committee and is subject to approval by the Shareholders' Meeting.

### 3.2.2 Non-executives directors and independent directors

At least half of the directors are non-executive directors, and at least three directors are independent directors in accordance with the criteria set out in Article 526<sup>ter</sup> of the Companies Code and the Corporate Governance Code.

This means that each independent director must:

(i) not be an executive member of the Board of Directors, or exercise a function as a member of the Management Committee, or as a person responsible for the daily management of the company or an affiliate or related person (as defined in Article 11 of the Companies Code), and not having been in such a position for the previous five years prior to the appointment;

(ii) not have exercised more than three consecutive mandates as non-executive director on the Board of Directors, nor whose total term has exceeded 12 years;

(iii) not be a senior management employee (as defined in Article 19, 2° of the Law of 20 September 1948 on the organisation of the economy ("*houdende organisatie van het bedrijfsleven*" / "*portant organisation de l'économie*") of the Company or an affiliate or related person (as defined in Article 11 of the Companies Code) and not have been in such a position during a period of three years prior to the appointment;

(iv) not receive or have received from the Company or an affiliate or related person (as defined in Article 11 of the Companies Code) any remuneration or other significant advantage of a patrimonial nature, apart from any bonus or fee he/she receives or has received as non-executive director;

(v) (a) not hold 10% or more of the company's share capital, the Company's social fund or a specific category of shares of the Company;

(b) if he/she holds shareholder rights representing less than 10%: (i) these shareholder rights, together with the other Company shares held by companies that are controlled by the director in question, may not represent 10% or more of the Company's share capital or of a specific category of shares of the Company; (ii) he/she must not have entered into any contract or have given unilateral undertakings concerning the sale of these shares or the exercise of the rights attaching to these shares;

(c) not be representing, in any circumstances, a shareholder fulfilling the conditions covered under this point (v).

(vi) not have or have had in the past financial year a significant business relationship with the Company or an affiliate or related person (as defined in Article 11 of the Companies Code), either directly or as partner, shareholder, member of the board, member of senior management (as defined in Article 19, 2° of the Law of 20 September 1948 on the organisation of the economy) of a company or person who maintains such a relationship;

(vii) not be or have been within the past three years, a partner or employee of the current or previous statutory auditor of the Company or an affiliate or related person (as defined in Article 11 of the Companies Code);

(viii) not be an executive member of the board of another company in which an executive director of the Company has a seat as non-executive member of the board and not have other significant ties with executive directors of the Company through involvement in other companies or bodies;

(ix) not have close family members, *i.e.*, spouse or partner that the candidate is officially registered as cohabiting with, or a second-degree family member, who are directors or members of the Management Committee or otherwise responsible for the daily management or members of the senior management (as defined in Article 19, 2° of the Law of 20 September 1948 on the organisation of the economy) of the Company or an affiliate or related person (as defined in Article 11 of the Companies Code) or who fall under the provisions of (i) to (viii) above.

### **3.2.3 Diversity**

As of the date of this Corporate Governance Charter, the Board of Directors comprises seven male directors and one female director. At the latest on 1 January 2020, at least one third of the directors will have to be of the opposite gender as the majority gender of the other directors, in accordance with the rules of the Companies Code on newly listed companies.

### **3.2.4 Chairman of the Board of Directors**

The chairman of the Board of Directors (the “**Chairman**”) and the CEO are not the same individual and the Chairman is a non-executive director.

The Chairman is responsible for the leadership of the Board of Directors. The Chairman takes the measures required to create a climate of trust within the Board of Directors, which contributes to an open discussion, constructive criticism and support for the decisions of the Board of Directors. He/she must ensure that the Board of Directors functions effectively and in line with the Articles of Association and the Corporate Governance Charter. In particular, the Chairman:

- coordinates the processes that govern the appointment or re-election of the members of the Board of Directors and the Board Committees;
- plans the board meetings. He/she draws up, in consultation with the CEO, the calendar and the agenda of board meetings and meetings of the Board Committees. The Chairman is consulted reasonably in advance on all matters which the CEO wishes to submit to the Board of Directors;

- prepares, chairs and leads the board meetings and ensures that the procedures relating to the preparation, the deliberations, the approval of resolutions and the implementation of decisions run smoothly. The Chairman ensures that the directors receive clear, timely, accurate information before the meetings to allow recipients enough time to review them and that all members of the Board of Directors receive the same information;
- oversees and ensures the quality of continuous interaction and dialogue at the level of the Board of Directors;
- is responsible for providing the appropriate induction for newly appointed directors to ensure their swift contribution to the Board of Directors;
- chairs and leads the Shareholders' Meetings and ensures that they are conducted efficiently;
- represents and safeguards, in consultation with the CEO, the interests of the Company by maintaining contact with external constituencies and participating in external policy forums; and
- is consulted at an early stage on strategic initiatives of the CEO and the Management Committee.

### **3.2.5 Company Secretary**

The Company Secretary, appointed by the Board of Directors, advises the Board of Directors on governance matters. He/she assists and advises the Chairman and the chairmen of the Board Committees in exercising their general and specific roles and duties.

The core responsibilities of the Company Secretary include:

- reporting regularly to the Board of Directors, under the direction of the Chairman and with the support of the Company legal team;
- ensuring, under the direction of the Chairman, good information flow within the Board of Directors, the Board Committees and the Management Committee, and between the Management Committee and the non-executive directors;
- acting as secretary of the Board of Directors, the Board Committees, if so appointed, and the Management Committee (including preparing minutes); and
- facilitating induction and assisting with professional development within the Board of Directors.

Each director has direct access to the Company Secretary.

## **3.3 Functioning of the Board of Directors**

### **3.3.1 Meetings and convening**

In principle, the Board of Directors meets eight times a year. Additional meetings may be called with appropriate notice at any time to address specific needs of the business. A meeting of the Board of Directors must in any event be convened if so requested by at least two directors.

### **3.3.2 Attendance and quorum**

Directors are expected to attend meetings regularly and in person, and to devote the necessary time to fulfil their responsibilities. If and when required, members can attend a meeting by video/phone conference or other means of communication which enables all persons participating in such meeting to hear each other in real time. Attendance in person should be preferred and attendance through other means of communication should remain the exception.

A director can be represented at the meeting by another director by means of a power of attorney made in writing (e.g., letter, courier, fax) or through any other means of communication that leaves a trace (e.g., e-mail). A director cannot hold more than one power of attorney. Directors represented at a meeting by another director will not be awarded an attendance fee.

Management presentations to the Board of Directors are generally made by the CEO, who can be assisted by other members of the Management Committee or other senior officers, if necessary and at the discretion of the CEO. The Board of Directors can also require any member of the Management Committee to be heard.

The Board of Directors can only deliberate and decide on matters stated on the agenda and only if at least half of its members are present or represented at the meeting. If this quorum is not met, a second meeting with the same agenda will be convened immediately. It must be held within 30 days following the first meeting and can decide validly, provided that at least three directors are present.

The Board of Directors can only validly deliberate and decide on matters that are not stated on the agenda if all its members are present at the meeting and agree to this.

### **3.3.3 Deliberation, voting and minutes**

The meetings of the Board of Directors are presided by the Chairman. If the Chairman is prevented from attending a meeting, the Board of Directors is presided by the eldest of the directors present, as provided for in Article 21, §2 of the Articles of Association.

The decisions of the Board of Directors are adopted by simple majority.

In the case of a tied vote, the director chairing the meeting has a casting vote.

Minutes are taken at every board meeting. They contain a summary of the deliberations, specify the decisions that are adopted and mention any abstention or reservation of any director.

The minutes of a meeting are prepared and circulated to the directors within 15 calendar days of the date of the meeting. If a director wishes to have certain changes made to the minutes, he/she can request so within ten calendar days following receipt of the draft minutes.

The minutes will be finally adopted at the subsequent board meeting.

The minutes are signed by the Chairman, the Company Secretary and any directors who request to do so.

In exceptional cases, when urgent necessity and the Company's interest demand this, the Board of Directors' decisions can be adopted by unanimous written agreement by the directors. However, this procedure cannot be adopted for drawing up the annual accounts, or the utilisation of the authorised capital.



### **3.3.4 Board Committees**

The Board of Directors has established two Board Committees, which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Audit and Risk Committee (in accordance with Article 526*bis* of the Companies Code and Provision 5.2 of the Corporate Governance Code) and the Remuneration and Nomination Committee (in accordance with Article 526*quater* of the Companies Code and Provisions 5.3 and 5.4 of the Corporate Governance Code). See Section 4.2 and 4.3 respectively.

### **3.4 Access to advisors**

The Board of Directors, its Chairman and the Board Committees may call on external independent advisers, experts, consultants and other directors, at the Company's expense, if required for the performance of their tasks. The Chairman, assisted by the Company Secretary, is entrusted with the coordination thereof with a view to ensuring cost efficiency and avoiding duplication of efforts.

### **3.5 Evaluation**

Under the lead of the Chairman, the Board of Directors shall regularly (on an annual basis) evaluate its scope, composition, performance and that of the Board Committees and of the Management Committee, as well as the interaction with the Management Committee and the CEO.

If need be, the Chairman shall propose the necessary measures to remedy any weaknesses of the Board of Directors, of any of the Board Committees or of the Management Committee.

### **3.6 Conduct of the directors**

#### **3.6.1 Independence**

Each director is required:

- to be guided exclusively by the overall purpose of the Board of Directors of the Company, which is to pursue the long-term success of the Company and to ensure that all decisions are made in the corporate interest of the Company; and
- to maintain in all circumstances his/her independence of judgment, decision and action.

#### **3.6.2 Conflicts of interest**

(a) In general

Each director should arrange his/her personal and business affairs in such a way as to avoid any conflict of interest of a personal, professional or financial nature with the Company, directly or through relatives (including spouse or life companion, or other relatives by blood or marriage up to the second degree and foster children).

A director is not considered to have a conflict of interest within the meaning of this section merely on the basis of a mandate as director or any other function held by him/her with one of the shareholders of the Company or a company affiliated with a shareholder of the Company.

(b) Conflicting personal financial interest

Article 523 of the Companies Code provides for a special procedure if a director of the Company directly or indirectly has a financial interest that conflicts with a decision or transaction that falls within the powers of the Board of Directors. The director concerned must inform the other directors before any decision of the Board of Directors is adopted and the statutory auditor must also be notified. For companies that are making or have made a public call on savings, such as the Company, the director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction. The minutes of the meeting of the Board of Directors must set out the director's declaration of the conflict of interest, the nature of relevant decision or transaction, the financial impact of the matter on the Company, and justify the decision adopted. An excerpt of the minutes must be published in the Company's annual report. The report of the statutory auditor to the annual accounts must contain a description of the financial impact on the Company of each of the Board of Directors' decisions in matters where a conflict arises.

### **3.6.3 Transactions in shares of the Company**

The directors shall fully comply with the Dealing and Disclosure Code.

### **3.6.4 Transactions and agreements with the Company**

Besides the services agreement, entered into between a non-executive director and the Company, whether or not via a management company, non-executive directors are not permitted to enter, either directly or indirectly, into agreements with the Company or any of its subsidiaries for the provision of paid services or goods, unless explicitly authorised by the Board of Directors. Such agreements must always be at arm's length.

### **3.6.5 Interaction with management**

Non-executive directors may contact managers of the Company or its Affiliates subject to the following guidelines.

On the initiative of the Chairman or any executive director, non-executive directors can be asked to give their advice on business-management issues and to contact the manager(s) concerned.

Likewise, non-executive directors can ask to have access to managers to give their advice and discuss business-management issues. Non-executive directors are asked always to consult the Chairman and one of the executive directors prior to any contacts with management and to use their judgment to ensure that these contacts do not distract the managers from business operations and management responsibilities.

### **3.6.6 Confidentiality**

In order to facilitate open discussions at board meetings, the directors (as well as the Company Secretary or any other person attending a board meeting) undertake to maintain the confidentiality of information and deliberations, in accordance with and subject to legal requirements.

## 4 Board Committees

### 4.1 General

The Board of Directors is assisted by two Board Committees: the Audit and Risk Committee and the Remuneration and Nomination Committee. This section sets forth the terms of reference of such committees existing within the Board of Directors. Additional committees may be set up by the Board of Directors as it deems appropriate.

Each Board Committee should regularly (at least every two or three years) review its terms of reference and its own effectiveness and recommend any necessary changes to the Board of Directors.

The appointment of members of the Board Committees is based on (i) their specific competences and experience, in addition to the general competence requirements for directors and (ii) the requirement that each Board Committee possesses the competences and experience to perform its tasks. The duration of the appointment of a member of a Board Committee may not exceed the duration of his/her directorship.

### 4.2 Audit and Risk Committee

#### 4.2.1 Powers and responsibilities

In accordance with Article 20, §4 of the Articles of Association, the Board of Directors has set up an Audit and Risk Committee (the “**Audit and Risk Committee**”).

The Audit and Risk Committee advises the Board of Directors on accounting, audit and internal control matters, and shall, in particular:

- monitor the financial reporting process;
- review accounting policies and conventions;
- review the draft annual accounts and examine the proposed distribution of earnings and profits;
- review the quality of financial information furnished to the shareholders and the market;
- monitor and oversee the internal audit process, internal controls and risk management, including for the Company and its subsidiaries as a whole;
- propose candidates for the position of statutory auditor to be appointed by the Shareholders' Meeting;
- monitor the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the statutory auditor;
- review the external audit process and review and monitor the independence of the statutory auditor and any additional services rendered by them;
- oversee the Company's risk management processes; and
- report regularly on the exercise of its duties to the Board of Directors.

The Audit and Risk Committee will meet sufficiently in advance of the board meetings so as to allow the members of the Audit and Risk Committee to make sound recommendations to the Board of Directors. It will meet at least four times a year.

At least twice a year, the Audit and Risk Committee will meet with the statutory and internal auditors to discuss matters relating to terms of reference and any issues arising from the audit process, and in particular any material weaknesses in the internal control.

#### **4.2.2 Composition**

The Audit and Risk Committee consists of at least three members, all being non-executive directors and a majority of them being independent directors.

The chairman of the Audit and Risk Committee is designated by the Board of Directors but shall not be the Chairman of the Board of Directors.

### **4.3 Remuneration and Nomination Committee**

#### **4.3.1 Powers and responsibilities**

In accordance with Article 20, §4 of the Articles of Association, the Board of Directors has set up a Remuneration and Nomination Committee (the “**Remuneration and Nomination Committee**”).

The Remuneration and Nomination Committee advises the Board of Directors principally on matters regarding the appointment and remuneration of directors, the CEO and the other members of the Management Committee and shall, in particular:

- identify, recommend and nominate, for the approval by the Board of Directors, candidates to fill vacancies on the Board of Directors, the Management Committee and executive management positions as they arise. In this respect, the Remuneration and Nomination Committee shall consider and advise on proposals made by relevant parties, including management and shareholders;
- advise the Board of Directors on any proposal for the appointment of the CEO and on the CEO’s proposals for the appointment of other members of the Management Committee;
- draft appointment procedures for members of the Board of Directors, the CEO and the other members of the Management Committee;
- ensure that the appointment and re-election process is organised objectively and professionally;
- periodically assess the size and composition of the Board of Directors and the Management Committee and make recommendations to the Board of Directors with regard to any changes;
- consider issues related to succession planning;
- make proposals to the Board of Directors on the remuneration policy for the non-executive directors, and, upon proposal by the CEO, and members of the Management Committee, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the Shareholders’ Meeting;
- make proposals to the Board of Directors on the remuneration of non-executive directors and, on proposal by the CEO, the remuneration of members of the Management Committee, including in the form of variable remuneration and long-term incentives, whether or not stock-related, in the form of stock options or other financial instruments, and arrangements on early termination, and where

applicable, on the resulting proposals to be submitted by the Board of Directors to the Shareholders' Meeting;

- establish performance targets and conduct performance reviews for the CEO and other members of the Management Committee;
- submit a remuneration report to the Board of Directors for approval;
- provide explanations on the remuneration report during the annual Shareholders' Meeting; and
- report regularly on the exercise of its duties to the Board of Directors.

The Remuneration and Nomination Committee will meet sufficiently in advance of the board meetings so as to allow its members to make sound recommendations to the Board of Directors. It will meet at least twice a year.

#### **4.3.2 Composition**

The Remuneration and Nomination Committee consists of at least three members, all being non-executive directors and a majority of them being independent directors. The chairman of the Remuneration and Nomination Committee is designated by the Board of Directors and shall be either the Chairman of the Board of Directors or another non-executive director.

### **4.4 Functioning of the Board Committees**

#### **4.4.1 Meetings**

Meetings may be called with appropriate notice at any time when a recommendation is to be made to the Board of Directors that falls within the competence of the relevant Board Committee.

Meetings are held at the place and on the day and time indicated in the convening notice. In principle, the meetings are held at the registered office of the Company.

Board Committee members are expected to attend meetings regularly and in person, and to devote the necessary time to fulfil their responsibilities. If and when required, members can attend a meeting by phone conference or other means of communication.

The chairman of the Board Committee prepares, chairs and leads the Board Committee meetings and ensures that they are conducted efficiently and in accordance with the Articles of Association and the Corporate Governance Charter. The chairman of the Board Committee ensures that written materials are distributed well in advance to allow recipients enough time to review them. The chairman of the Board Committee ensures that all members of the Board Committee receive the same information.

The persons appointed as secretary of the respective Board Committees assist in the organisation of the Board Committee meetings. They prepare the reports and minutes on the findings and recommendations of their meetings.

#### **4.4.2 Convening notices**

Board Committee meetings are convened by the chairman of the relevant Board Committee.

Convening notices are made in writing (e.g., letter, courier, fax) or through any other means of communication that leaves a trace (e.g., e-mail) at least seven calendar days prior to the meeting, save in case of urgency warranting a shorter notice period (whereby such urgency must be justified in the convening notice).

Board Committee members may waive the benefit of the convening notices. In any event, members who are present or represented at a meeting are considered to have been validly convened for the meeting and to have waived the convening requirement.

The convening notices contain the agenda of the meeting in sufficient detail. In principle, available (draft) documents that are placed on the agenda and accompanying documents and advice will be sent to the members simultaneously with the convening notice.

The convening notices must contain a complete committee file.

#### **4.4.3 Quorum**

For a Board Committee meeting to be valid, at least half of the members must be physically present.

#### **4.4.4 Majority requirement**

All recommendations of the Board Committee are adopted by simple majority.

#### **4.4.5 Minutes**

Minutes are taken at every Board Committee meeting. They contain a summary of the deliberations, specify the decisions that are adopted (*i.e.*, the recommendations to the Board of Directors) and mention any abstention or reservation of any Board Committee member.

The minutes of a meeting are prepared and circulated to the Board Committee members within 15 calendar days of the date of the meeting. If a Board Committee member wishes to have certain changes made to the minutes, he/she can request so within ten calendar days following receipt of the draft minutes. The minutes are signed by the chairman of the relevant Board Committee, the Company Secretary and any Board Committee members who request to do so.

After each Board Committee meeting, the Board of Directors shall receive a report from the Board Committee on its findings and recommendations.

## **5 Management Committee**

### **5.1 Powers and responsibilities**

In accordance with Article 20, §2 of the Articles of Association, the Board of Directors has established a Management Committee within the meaning of Article 524*bis* of the Companies Code.

Accordingly, the Management Committee has the power to perform all actions that are necessary or useful for the realisation of the Company's purpose, except for those actions that are reserved by law, the Articles of Association or this Corporate Governance Charter to the Shareholders' Meeting, the Board of Directors, or other management bodies. As indicated in Section 3.1.1, the matters reserved to the Board of Directors include (i) matters belonging to the general policy of the Company, and (ii) the supervision of the Management Committee.

The powers of the Management Committee include, without limitation:

- the operational management and organization of the Company;
- deliberating and deciding on any matters relating to the daily management of the Company, including supporting the CEO in the daily management of the Company and the exercise of his/her responsibilities;
- developing or updating on a yearly basis, under the direction of the CEO, the overall strategy and business plan of the Company and submitting it to the Board of Directors for approval;
- monitoring the implementation of the overall strategy and business plan of the Company, ensuring that the results of the Company and its subsidiaries are consistent with its strategic goals, plans and budgets and proposing, when useful or necessary, changes to the overall strategy and business plan to the Board of Directors for approval;
- making recommendations to the Board of Directors for collaboration and investment opportunities, including recommendations with respect to those matters which fall within the powers of the Board of Directors;
- preparing the Company's financial statements in a timely, reliable, complete and accurate manner, in accordance with the Company's accounting standards and policies;
- preparing the filing and publication of the Company's financial statements and other material financial information, as required by law;
- presenting accurate and balanced evaluations of the Company's financial situation to the Board of Directors and providing the Board of Directors with the information it needs in order to properly fulfil its duties; and
- setting up and maintaining policies related to the risk profile of the Company and systems to identify, assess, manage and monitor financial and other risks within the framework set out by the Board of Directors and the Audit and Risk Committee, without prejudice to the tasks of the Board of Directors and the Audit and Risk Committee.

## **5.2 Composition**

### **5.2.1 General**

The Board of Directors, acting on a proposal of the CEO, determines the size and composition of the Management Committee.

### **5.2.2 Appointment and dismissal**

The appointment and re-election of members of the Management Committee is based on a proposal of the CEO and a recommendation of the Remuneration and Nomination Committee and is subject to approval by the Board of Directors.

Members of the Management Committee are appointed for an indefinite period and can be dismissed by the Board of Directors at any time. When a member of the Management Committee ceases to have a management agreement with the Company, such person shall also cease to be a member of the Management Committee.

## **5.3 Functioning**

### **5.3.1 General**

The Management Committee acts as a collegial body with the CEO as its chairman.

The meetings of the Management Committee are presided by the CEO. If the CEO is prevented from personally attending a meeting, the Management Committee is presided by the eldest executive director present.

The Management Committee is assisted by the Company Secretary.

### **5.3.2 Meetings and convening**

The Management Committee meets at the request of the CEO.

A meeting of the Management Committee must also be convened at the request of at least two of its members, including one who is an executive director.

The CEO in principle sets the agenda of the Management Committee meetings, unless a meeting is requested by another person in accordance with the preceding paragraph.

The convening notice must be sent in writing (e.g., letter, courier, fax), or by any other means of communication leaving a trace (e.g., e-mail), at the latest two business days prior to the meeting, except in case of emergency, which is to be justified in the convening notice or in the minutes of the meeting, in which case the notice period can be reduced. Each member of the Management Committee may waive convocation. A member of the Management Committee who is present or represented at the meeting shall be deemed to have been properly notified or to have waived convocation.

The Management Committee meeting shall be held at the day, hour and place mentioned in the convening notice.

The Management Committee and the CEO may invite non-members to attend meetings of the Management Committee.

### **5.3.3 Attendance and quorum**

Management Committee members are expected to attend meetings regularly and in person, and to devote the necessary time to fulfil their responsibilities. If and when required, members can attend a meeting by video/phone conference or other means of communication which enables all persons participating in such meeting to hear each other in real time.

A member of the Management Committee can be represented at the meeting by another member of the Management Committee by means of a power of attorney made in writing (e.g., letter, courier, fax) or through any other means of communication that leaves a trace (e.g., e-mail). A member of the Management Committee cannot hold more than one power of attorney.

The Management Committee can only deliberate and decide on matters stated on the agenda, except that the Management Committee can validly deliberate and decide on matters that are not stated on the agenda if all its members are present at the meeting and agree to this.

The Management Committee can only validly deliberate and decide if at least half of its members, including the CEO, are present or represented at the meeting.



In exceptional circumstances, when an unforeseen emergency arises that makes it necessary for the Management Committee to take action that would otherwise become time-barred by law or in order to avoid imminent and material harm to the Company, the Management Committee may validly deliberate and decide if at least three of its members including the CEO are present or represented.

#### **5.3.4 Deliberation, voting and minutes**

The decisions of the Management Committee are adopted by simple majority.

In the case of a tied vote, the member chairing the meeting has a casting vote.

Minutes are taken at every Management Committee meeting at which decisions are adopted. They contain a summary of the deliberations, specify the decisions that are adopted and mention any abstention or reservation of any member.

The minutes of a meeting are prepared and circulated to the Management Committee members within 15 calendar days of the date of the meeting. If a Management Committee member wishes to have certain changes made to the minutes, he/she can request so within 10 calendar days following receipt of the draft minutes.

The minutes will be finally adopted at the subsequent Management Committee meeting.

The minutes are signed by the CEO, the Company Secretary and any Management Committee members who request to do so.

In exceptional cases, when urgent necessity and the Company's interest demand this, the Management Committee's decisions can be adopted by unanimous written agreement by the Management Committee members.

#### **5.3.5 Delegation of powers**

Within the limits of the powers assigned to it by the Board of Directors, the Management Committee may assign special and limited powers to one or more of its members or one or more members of staff of the Company. The Management Committee may allow sub-delegation of these powers. The Management Committee informs the Board of Directors of the powers which are delegated by it.

### **5.4 Supervision by the Board of Directors**

The Management Committee is accountable to the Board of Directors for the exercise of its duties. For the purpose of the evaluation of the Management Committee and its members by the Board of Directors, the CEO reports to the Board of Directors on the actions taken by the Management Committee, in principle at each meeting of the Board of Directors.

The Board of Directors can request, through its chairman, that the Management Committee provides it with a copy of the minutes of Management Committee meetings.

The Board of Directors has the power to grant discharge to members of the Management Committee. Discharge will be granted in the manner and under the conditions as applicable to the granting of discharge to directors by the Shareholders' Meeting, as stipulated in or generally accepted under the rules and principles of the Companies Code.

## **5.5 Conduct of Management Committee members**

### **5.5.1 Conflicts of interest**

#### **(a) In general**

Each Management Committee member should arrange his/her personal and business affairs in such a way as to avoid any conflict of interest of a personal, professional or financial nature with the Company, directly or through relatives (including spouse or life companion, or other relatives by blood or marriage up to the second degree and foster children).

A Management Committee member is not considered to have a conflict of interest within the meaning of this section merely on the basis of a mandate as Management Committee member or any other function held by him/her with one of the shareholders of the Company or a company affiliated with a shareholder of the Company.

#### **(b) Conflicting personal financial interest**

Article 524*ter* of the Companies Code provides for a special procedure if a Management Committee member of the Company directly or indirectly has a financial interest that conflicts with a decision or transaction that falls within the powers of the Management Committee. The Management Committee member concerned must inform the CEO and the other Management Committee members before any decision of the Management Committee is adopted and the statutory auditor must also be notified. For companies that are making or have made a public call on savings, such as the Company, the Management Committee member thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction. The minutes of the meeting of the Management Committee must set out the Management Committee member's declaration of the conflict of interest, the nature of relevant decision or transaction, the financial impact of the matter on the Company, and justify the decision adopted. An excerpt of the minutes must be published in the Company's annual report. The report of the statutory auditor to the annual accounts must contain a description of the financial impact on the Company of each of the Management Committee's decisions in matters where a conflict arises.

#### **(c) Deadlock**

In case the application of the procedure set out in Article 524*ter* of the Companies Code would lead to a lack of quorum at the relevant Management Committee meeting, the proposed resolution for which there is a conflict of interest within the meaning of Article 524*ter* of the Companies Code shall be referred to the Board of Directors for deliberation and decision.

### **5.5.2 Transactions in shares of the Company**

The Management Committee members shall fully comply with the Dealing and Disclosure Code.

### **5.5.3 Transactions and agreements with the Company**

Besides the services agreement, entered into between a Management Committee member and the Company, whether or not via a management company, Management Committee members are not permitted to enter, either directly or indirectly, into agreements with the Company or any of its subsidiaries for the provision of paid services or goods, unless

explicitly authorised by the Board of Directors. Such agreements must always be at arm's length terms and conditions.

#### **5.5.4 Confidentiality**

In order to facilitate open discussions in Management Committee meetings, its members (as well as the Company Secretary or any other person attending a Management Committee meeting) undertake to maintain the confidentiality of information and deliberations, in accordance with and subject to legal requirements.

## **6 CEO**

The CEO is appointed and removed by the Board of Directors, upon recommendation of the Remuneration and Nomination Committee.

The CEO leads and chairs the Management Committee and decides on the allocation of responsibilities among the members of the Management Committee.

The CEO is vested with the day-to-day management of the Company and the execution of the resolutions of the Board of Directors and the resolutions of the Management Committee, unless decided otherwise by the Management Committee. In addition, he/she exercises the special and limited powers assigned to him/her by the Board of Directors or the Management Committee.

The CEO reports regularly to the Board of Directors, including on the actions taken by the Management Committee, as detailed in Section 5.4.

Within the limits of the powers granted to him/her by the Board of Directors, the Management Committee, or pursuant to the Articles of Association, the CEO may delegate special and limited powers to any persons within the Company. He/she may allow sub-delegation of these powers. The CEO informs the Board of Directors and/or the Management Committee, as the case may be, of the powers which are delegated by him/her.

## **7 Remuneration of directors and members of the Management Committee**

The remuneration of the directors is determined by the Shareholders' Meeting, upon proposal by the Board of Directors and recommendation by the Remuneration and Nomination Committee.

The remuneration of the CEO is determined by the Board of Directors, upon recommendation by the Remuneration and Nomination Committee.

The remuneration of members of the Management Committee (other than the CEO) is determined by the Board of Directors, upon proposal by the CEO and upon recommendation by the Remuneration and Nomination Committee.

Details of the individual remunerations of directors and the CEO and of the aggregate remuneration of the other members of the Management Committee are published each year in the remuneration report, which forms part of the annual report.

## **8 Shareholders' Meetings**

### **8.1 General**

Each year, the ordinary Shareholders' Meeting is held on 25 May at 2.00 p.m., at the registered office of the Company or at any other place or time designated by the convening notice. If such day is a Saturday, Sunday or legal public holiday in Belgium, the meeting shall take place at the same hour on the preceding or following working day, as decided by the Board of Directors.

The other Shareholders' Meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than the registered office.

The ordinary, special and extraordinary Shareholders' Meetings may be convened by the Board of Directors or by the statutory auditor and must be convened at the request of shareholders representing one fifth of the Company's share capital.

### **8.2 Convening notices**

Holders of registered shares must receive the convening notice to the Shareholders' Meeting by regular mail at least 30 days prior to the meeting, unless they have individually and expressly consented in writing to receive the convening notice through another means of communication.

The Company must also publish the convening notice to the Shareholders' Meeting in the Belgian State Gazette ("*Belgisch Staatsblad*" / "*Moniteur belge*"), in a newspaper with national distribution<sup>1</sup> and in media that can be reasonably considered having effective distribution with the public in the European Economic Area and that is swiftly accessible in a non-discriminatory manner. The notices are published at least 30 days prior to the Shareholders' Meeting. If the Shareholders' Meeting needs to be convened anew for lack of quorum and the date of the second Shareholders' Meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second Shareholders' Meeting.

### **8.3 Admission formalities**

A shareholder wishing to attend and vote at the Shareholders' Meeting must:

- have the ownership of its shares recorded in its name, as at midnight Central European Time, on the 14<sup>th</sup> calendar day preceding the date of the Shareholders' Meeting (the "record date") either through registration in the shareholders' register in the case of registered shares or through book-entry in the accounts of a recognized account holder or settlement institution in the case of dematerialised shares; and
- notify the Company (or the person designated by the Company) by returning a signed original paper form or, if permitted by the Company in the convening notice,

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<sup>1</sup> Except for those ordinary Shareholders' Meetings which take place in the municipality, at the place, day and hour indicated in the deed of incorporation and whose agenda is limited to the approval of the annual accounts, the annual report of the Board of Directors and the report of the statutory auditor, the voting on the discharge to be granted to the directors and statutory auditor and the voting on the remuneration report and certain severance pay provisions.

by sending a form electronically (in which case the form must be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the date of the Shareholders' Meeting, of its intention to participate in the meeting, indicating the number of shares in respect of which they intend to do so. In addition, the holders of dematerialised shares must, at the latest on the same day, provide the Company (or the person designated by the Company), or arrange for the Company (or the person designated by the Company) to be provided with an original certificate issued by a recognized account holder or a settlement institution certifying the number of shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the Shareholders' Meeting.

Holders of profit-sharing certificates, non-voting shares, bonds, subscription rights or other securities issued by the Company, as well as holders of certificates issued with the cooperation of the Company and representing securities issued by the latter, may attend the Shareholders' Meeting insofar as the law or the Articles of Association entitle them to do so and, as the case may be, give them the right to vote. If they intend to attend and, as the case may be, vote at the Shareholders' Meeting, such holders are subject to the same formalities concerning admission and access, use of forms and filing of proxies, as those imposed on shareholders.

#### **8.4 Voting by proxy**

Any shareholder with the right to vote may either personally participate in the Shareholders' Meeting or give a proxy to another person, who need not be a shareholder, to represent him/her at the Shareholders' Meeting. A shareholder may designate, for a given the Shareholders' Meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in writing or electronically (in which case the form must be signed by means of an electronic signature in accordance with applicable Belgian law), through a form to be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the date of the Shareholders' Meeting . Any appointment of a proxy holder must comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

#### **8.5 Remote voting**

The convening notice may allow shareholders to vote remotely in relation to the Shareholders' Meeting, by sending a paper form or, if specifically allowed in the convening notice, by sending a form electronically (in which case the form must be signed by means of an electronic signature in accordance with applicable Belgian law). These forms are to be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the Shareholders' Meeting . Voting through the signed electronic form may occur until the last calendar day before the Shareholders' Meeting.

The Company may also organise a remote vote in relation to the Shareholders' Meeting through other electronic communication methods, such as through one or several websites. The Company must specify the practical terms of any such remote vote in the convening notice.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

#### **8.6 Right to request items to be added to the agenda and resolution proposals**

One or more shareholders that together hold at least 3% of the Company's share capital may request that items be added to the agenda of any Shareholders' Meeting and submit resolution proposals with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or resolution proposals have been submitted in writing by these shareholders to the Board of Directors at the latest on the 22<sup>nd</sup> calendar day preceding the date of the relevant Shareholders' Meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant shares in the share register of the Company or by a certificate issued by the recognized account holder or the settlement organisation certifying the book-entry of the relevant number of dematerialised shares in the name of the relevant shareholder(s).

If necessary, the Company shall publish a revised agenda of the Shareholders' Meeting, at the latest on the 15<sup>th</sup> calendar day preceding the date of the Shareholders' Meeting. The right to request that items be added to the agenda or to submit resolution proposals with regard to existing agenda items or new items to be added to the agenda, does not apply in case of a second Shareholders' Meeting that must be convened because the quorum was not obtained during the first Shareholders' Meeting.

#### **8.7 Questions**

Within the limits of Article 540 of the Companies Code, the directors and the auditor answer, during the Shareholders' Meeting, the questions raised by shareholders. The Chairman of the Shareholders' Meeting will lead the meeting in such a manner that there will be sufficient time to answer questions that shareholders may have relating to the Annual Report, special reports and/or the items on the agenda.

Shareholders can ask questions either during the meeting or prior to the meeting (in writing or electronic form), provided that the Company receives the written question at the latest on the sixth calendar day preceding the Shareholders' Meeting.

#### **8.8 Quorum and majorities**

There is no quorum requirement for a Shareholders' Meeting, except where the law or the Articles of Association provide for a specific quorum requirement. Decisions are adopted by simple majority, except where the law or the Articles of Association provide for a special majority.

Matters which are subject to a specific quorum and special majority requirement pursuant to the law include, among others, amendments to the Articles of Association, issues of new shares, convertible bonds or warrants and decisions regarding mergers and demergers, which require at least 50% of the share capital to be present or represented and a majority of at least 75% of the votes cast. If the quorum is not reached, a second Shareholders' Meeting may be convened at which no quorum will apply. The special majority requirements, however, remain applicable.

## **8.9 Minutes**

Minutes of the Shareholders' Meeting are drafted by the secretary of the meeting (who is, unless he/she is unavailable or if decided otherwise by the Shareholders' Meeting, the Company Secretary). The results of the votes and the minutes are posted on the Company's website as soon as possible after the Shareholders' Meeting.

## **9 Statutory auditor**

The audit of the unconsolidated and consolidated financial statements of the Company is entrusted to the statutory auditor, who is appointed by the Shareholders' Meeting, for renewable terms of three years. The Shareholders' Meeting determines the remuneration of the statutory auditor.

## **10 Business codes of conduct**

The Company has established a global business code of conduct, as well as (i) an anti-bribery policy, (ii) a political and charitable contributions policy, (iii) an exchange of gifts, entertainment and items of value policy, (iv) an economic sanction policy, (v) an anti-money laundering policy and (vi) an antitrust policy.