

CORPORATE GOVERNANCE CHARTER

A. INTRODUCTION

Further to the Belgian Corporate Governance Code, the board of directors of SIPEF adopted the original version of the Corporate Governance Charter on 23 November 2005.

The Corporate Governance Charter shall be updated following policy developments regarding corporate governance and changes in the applicable legislation.

Major changes to the Charter shall be explained in the Corporate Governance Statement, which forms a specific part of the annual report of the Company in accordance with Article 96, §2 of the Companies Code.

The first version of the charter considered already the implementation of the European rules on market abuse (i.a. by the Royal Decrees of 24 August 2005 and 5 March 2006).

Thereafter the board of directors has approved the following amendments:

- 23 February 2011: adaptation of the Charter to the revised Belgian Corporate Governance Code of 2009;
- 13 June 2012: adaptation of the Charter to the provisions of the Law of 6 April 2010 reinforcing the corporate governance of listed companies, the Law of 20 December 2010 regarding the exercise of rights by shareholders of listed companies and the Law of 28 July 2011 amending the Company Code to ensure the representation of women in the board of directors of listed companies.
- 11 June 2014: the foundation of the executive committee in substitution for the “managementcomité”.
- 22 November 2016: adaption of the Charter to the provisions of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

SIPEF undertakes to observe the 9 principles set forth in the Corporate Governance Code 2009:

1. The Company shall adopt a clear governance structure.
2. The Company shall have an effective and efficient board of directors taking decision in the corporate interest.
3. All directors shall demonstrate integrity and commitment.
4. The Company shall have a rigorous and transparent procedure for the appointment and evaluation of the board of directors and its members.
5. The Board shall set up specialised committees.
6. The Company shall define a clear executive management structure.
7. The Company shall remunerate directors and executive managers fairly and responsibly.
8. The Company shall enter into a dialogue with shareholders and potential shareholders based on a mutual understanding of objectives and concerns.
9. The Company shall ensure adequate disclosure of its corporate governance.

B. DEFINITIONS

In this Charter, the following concepts are defined as follows:

“Charter”: the Corporate Governance Charter.

“Closed Period”: • As for the Company, one of the following periods:

- a) the period of 60 calendar days immediately preceding the publication of the annual results of the Company, or if the annual results are published within a period of less than 60 calendar days following the end of the financial year, the period from the end of the financial year up to and including the publication date, it being understood that such period shall never be shorter than 30 calendar days immediately preceding the publication;
- b) the period of 30 calendar days immediately preceding the publication of the half year results of the Company;

- As for each of the Listed Group Companies, the closed period as defined in the Corporate Governance Charter of the respective Listed Group Company.

“Code”: the Belgian Corporate Governance Code.

“Company Code”: the Belgian company code (“Wetboek van vennootschappen”/“Code des societies”), as amended from time to time.

“Company”: SIPEF NV

“Financial Instruments”: shares and debt instruments and all other financial instruments in the broadest sense linked thereto or derived thereof, as further defined in point (15) of Article 4 (1) of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU. This definition includes amongst others:

- a) shares;
- b) options and warrants;
- c) (convertible) bonds; and
- d) preferential rights entitling the holder thereof to subscribe for shares, warrants or (convertible) bonds,

as well as all other subscription or swap entitlements, forwards, futures, swaps and other derivatives in relation to the instruments mentioned under a) to d).

Financial Instruments also include instruments not covered by point (a), (b) or (c), the price or value of which depends on or has an effect on the price or value of a financial instrument referred to in those points.

“FSMA”: Financial Services and Markets Authority

“Group”: the Company, the companies over which the Company exercises (exclusive or joint) control within the meaning of Article 5 of the Companies Code as well as the companies in which the Company, directly or indirectly, holds a participation of at least 10% of the voting rights.

“Group Companies”: the companies, other than the Company, that form part of the Group.

“Holding Company”: a company or trust (*“stichting”* which (directly or indirectly) exercises control (within the meaning of Article 5 of the Company Code) over the Company.

“Inside information”: any information of a precise nature which has not been made public, relating, directly or indirectly, to the Company or to one or more financial instruments of the Company and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

“Listed Group Company”: a Group Company that is listed within the meaning of Article 4 of the Companies Code.

“Market Abuse Regulation” means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

“Persons Closely Associated” means with respect to a Person Discharging Managerial Responsibilities:

- a) a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;
- b) a child which is, in accordance, with national law, dependent on the Person Discharging Managerial Responsibilities (including adopted children);
- c) a relative of the Person Discharging Managerial Responsibilities who has shared the same household with such a person for at least one year on the date of the Transaction concerned; or
- d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by the Person Discharging Managerial Responsibilities or by a Person Closely Associated to such a person as referred to in point a), b) or c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

“Persons Discharging Managerial Responsibilities”: the members of the board of directors and of the executive committee of the Company.

“Prohibited Period”: the period from the date at which the board of directors or executive committee of the Company or, as the case may be, an authorized committee or person(s), takes the decision with respect to the existence of Inside Information up to and including the date at which one of the aforementioned bodies, committee or person(s) determines that the relevant information has lost its status of Inside Information.

“Remuneration report”: the remuneration report which forms a specific part of the Statement, in accordance with Article 96, §3 of the Companies Code.

“Staff Members”: employees, self-employed staff members and directors of the Company, as well as physical persons acting on behalf of the self-employed staff members or directors which are non-physical persons for purposes of the performance of a services contract or as permanent representatives respectively.

“Statement”: the corporate governance statement which forms a specific part of the annual report of the Company, in accordance with article 96, §2 of the Companies Code.

“Transaction”: includes all transactions, in the broadest sense of the word, in relation to Financial Instruments. The most common Transactions include:

- a) acquisition, disposal, subscription or exchange;
- b) acceptance or exercise of a stock option or warrant, and the disposal of shares stemming from the exercise of a stock option or warrant;
- c) gifts or donations made or received, and inheritances received;
- d) subscription to a capital increase or a bond issuance;
- e) acquisition, disposal or exercise of the rights, including put and call options, and warrants;
- f) conversion of a Financial Instrument into another Financial Instrument, including the exchange of convertible bonds to shares;
- g) lending or borrowing (including contracting, termination, assignment or renewal of securities loans); and
- h) vesting a pledge;

and **“Trade”**, **“Trading”** shall have a corresponding meaning. This overview is non-exhaustive.

1. GOVERNANCE STRUCTURE OF THE COMPANY

SIPEF has a traditional one-tier governance structure.

The board of directors manages the Company as a collegiate body and is accountable to the shareholders meeting, which appoints and dismisses the directors.

The board of directors has full decision-making authority. The responsibilities of the board of directors include both policy formulation and supervision.

The board of directors delegated the daily management of the Company to a collegiate body, which, since 1 July 2014, is called the executive committee.

No powers outside the daily management have been delegated to a so-called management committee (“directiecomité”) as set forth in Article 524bis of the Company Code.

2. BOARD OF DIRECTORS

2.1. Responsibilities of the Board of Directors

As a general rule, the board of directors is responsible for the general management of SIPEF and for the supervision of the daily management, which is the responsibility of the executive committee.

Without prejudice to the powers that rest with the board of directors pursuant to the Company Code, the main responsibilities of the board of directors can be summarized as follows:

- approval of the Company’s long-term objectives and its strategy;
- approval of the main investments and disinvestments;

- supervision of the participations on the basis of periodic reports from the executive committee;
- appointment and dismissal of the members of the executive committee as well as determination of their remuneration and of the main contract terms;
- determination of the responsibilities of the executive committee;
- supervision of functioning of the executive committee, granting the executive committee sufficient autonomy in order to allow it to carry out its duties properly;
- reviewing performance of the executive committee and the realization of the Company's strategy;
- determination of the respective responsibilities of the chairman of the board of directors and the chairman of the executive committee;
- approval of the composition, remuneration, responsibilities and operation of the advisory committees;
- monitoring and reviewing the effectiveness of the advisory committees;
- taking the necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and nonfinancial information disclosed to the shareholders and potential shareholders;
- approval of a framework of internal control and risk management set up by the executive committee;
- reviewing the implementation of this framework, taking into account the review made by the audit committee;
- supervision of the performance of the external auditor taking into account the review made by the audit committee;
- description of the Company's internal control and risk management systems, to be disclosed in the Statement.

2.2. Composition

2.2.1. Number of directors

Pursuant to Article 518, § 1 of the Company Code, the board of directors shall consist of at least three members. The number of members of the board of directors is not subject to any further statutory rules.

The board of directors shall attempt to limit the number of its members in order to allow for efficient deliberation and decision-making. On the other hand, the board of directors shall seek to ensure that it is comprised of a sufficient number of persons of integrity with diverse backgrounds who have the required knowledge and experience as well as complementary skills to perform their duties properly. The size of the board of directors must also allow the board to cope with changes in its composition without disrupting its operation.

2.2.2. Procedure for appointment and reappointment

The complete board of directors shall function as nomination committee (see below under 3.4).

Before expiry of the mandate of a director, the board of directors shall deliberate, in the absence of the director concerned, on the expediency of his/her reappointment.

Upon these deliberations, the board of directors shall first assess the personal contribution that the director concerned has made to the proper functioning, deliberation and decision-making of the board of directors during the term of his/her mandate.

If this assessment is positive, the board of directors shall consider, always in the absence of the director concerned, whether given his/her specific skills, knowledge and/or experience, a possible reappointment would contribute to the composition of a board of directors which collectively has the necessary skills to carry out its duties properly.

If this second assessment is positive as well, the board of directors shall recommend the director concerned, subject to his approval, to the shareholders meeting for reappointment.

In the event that the board of directors decides to propose a new candidate for appointment to the shareholders meeting, it shall consider one or more candidates who meet the following criteria:

- (i) Each candidate must have specific skills, knowledge and/or experience to complement the skills, knowledge and/or experience already present in the board of directors, so that the board of directors as a whole has the necessary skills to fulfill its duties properly. In preparation of this process, the board of directors shall draw up a profile of the new director.
- (ii) Each candidate must be available to carry out his duties as a director properly.
- (iii) Each candidate must have at least one of the following core competencies: (a) experience in reading and interpreting annual accounts and financial reports, (b) familiarity with one or several sectors in which the Group invests, (c) experience in managing a company, (d) knowledge of the operation of the financial markets.
- (iv) In view of the gender diversity in the board of directors, the board shall consider the nomination of at least one person of the other gender as part of the selection procedure, every time and as long as not at least one third of the board of directors is composed of directors of the other gender.

The board of directors shall ensure that it has at its disposal (a) the curriculum vitae of each candidate, (b) a list of the current directorships of each candidate, and (c) if relevant, the information required to assess the independence of the candidate. The board of directors shall also allocate the necessary time to interview each candidate.

Finally, the board of directors shall select one candidate who it shall propose and recommend to the shareholders meeting.

The name of the candidate director shall be set out in the notice convening the shareholders meeting, unless this is not in the interest of the Company.

2.2.3. Term

Although it is statutorily determined that a mandate may last 6 years, directors are appointed for a period of 4 years.

The directors shall retire from the board on the date of the annual meeting of the year in which they reach the age of 70.

In the interest of the company, the board of directors can request the concerned director to continue the existing mandate after the age of 70 years.

2.2.4. Independence criteria

The independent directors must meet the criteria set out in Article 526ter of the Company Code.

The independence criteria are the following:

1. Not being an executive member of the board, or exercising a function as a member of the legal management committee or as a person entrusted with daily management of the Company or a related company or person (as defined in article 11 of the Company Code), and not having been in such a position for the previous five years before his nomination.
2. Not having served for more than three terms as a non-executive director of the board, without exceeding a total term of more than twelve years.
3. Not being an employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry), of the Company or a related company or person (as defined in article 11 of the Company Code) and not having been in such a position for the previous three years before his nomination;
4. Not receiving, or having received, any significant remuneration or other significant advantage of a patrimonial nature from the Company or person (as defined in article 11 of the Company Code) apart from any bonus or fee he receives or has received as a nonexecutive member of the board;
5. (a) Not holding any shareholder rights representing one tenth or more of the Company's capital, the Company's social funds or of a class of shares of the Company;

(b) If the independent director holds shareholder rights representing less than one tenth of the Company's capital, the Company's social funds or of a class of shares of the Company:
 - not holding shareholder rights representing, together with the shareholder rights owned in the same Company by companies controlled by the independent director, one tenth or more of the Company's capital, the social funds or of a class of shares of the Company;or
 - the disposal of those shares or the exercise of the related rights not being subject to contractual stipulations or unilateral undertakings given by the independent director;
- (c) Not representing, in any circumstances, a shareholder fulfilling the conditions covered under this point 5.
6. Not having, or having had within the financial reported year, a significant business relationship with the Company or a related company or person (as defined in article

11 of the Company Code), either directly or as partner, shareholder, member of the board, member of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry) of a company or person who maintains such a relationship;

7. Not being or having been within the last three years, a partner or employee of the current or former external auditor of the Company or a related company or person (as defined in article 11 of the Company Code);
8. Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
9. Not being a spouse, legal partner or close family member to the second degree of a director or member of the legal executive committee or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry) in the Company or a related company or person (as defined in article 11 of the Company Code) or of the persons referred to in (1) to (8) above.

The decision of appointment shall include the motives on the basis of which the director qualifies as an independent director.

2.3. Deliberation and decision-making

As a rule, the Board of Directors shall meet five (5) times a year on dates determined at the beginning of the year. In addition, the board of directors shall meet whenever required by urgent decisions.

The board of directors can deliberate validly if the majority of its members are present or represented at the meeting.

A director who is unable to attend a meeting can give a proxy to another director, provided always that each director may represent only one other director.

As a rule, the directors shall receive the agenda plus annexes (e.g. an overview of the financial position of the Company, documents concerning investment and disinvestment proposals, periodic operational and financial reports about the Group companies) at least three (3) days before the meeting.

The agenda shall be divided into items for approval, items for deliberation and items for information.

A director or one or more members of the executive committee, shall explain the items on the agenda and give presentations to the board of directors.

The board of directors shall always endeavour to adopt resolutions by unanimous vote. If no consensus can be reached on a particular proposal, the resolution shall be adopted by simple majority of the votes. In case of equality, the vote of the chairman shall be decisive.

In preparation of certain decisions, the board of directors shall seek advice from the audit committee (see below under 3.2) and the remuneration committee (see below under 3.3.).

In addition, directors may seek advice from independent experts at the expense of the Company.

The directors shall treat all non-public information concerning the Group as confidential and they cannot use this information for any other purposes than the execution of their mandate.

The executive director shall act as the secretary of the board of directors. He shall advise the directors on the legal and administrative aspects of all governance matters and clarify the rights and obligations of the Company. Under the direction of the chairman, he shall ensure good information flow with the board and its committees and between the executive committee and the non-executive directors. He shall regularly report on the board of directors' compliance with the rules concerning deliberation, decision-making and operation. Individual directors have access to the company secretary.

2.4. Representation

Without prejudice to the general representation power of the board of directors acting as a collegiate body, the Company shall be represented by the executive director by two directors acting jointly or by one director acting jointly with a member of the executive committee.

2.5. Role of the chairman

The board of directors shall appoint a chairman from among its members on the basis of his knowledge, skills, experience and mediation strength. If the board of directors would consider such to be in the best interest of the Company, after having carefully considered the positive and negative aspects, the former executive director can be appointed as chairman. In such event, a justification for the decision shall be given in the Statement.

The chairman shall have the following responsibilities:

- The chairman shall ensure that the board of directors complies with the provisions of the Charter in terms of composition, deliberation and decision-making.
- The chairman shall prepare, in consultation with the chairman of the executive committee, the agenda for the meetings of the board of directors.
- At meetings, the chairman shall ensure that all directors are given a chance to speak during the deliberations and that, where possible, resolutions are adopted by unanimous vote.
- The chairman shall also see to it that there is an ongoing and transparent dialogue between the directors and the members of the executive committee.

- The chairman shall take the initiative concerning the organization of various assessment procedures (see below under 2.7).
- The chairman shall see to it that committees are composed validly and that a chairman is appointed from among each committee.
- At the shareholders meeting, the chairman shall ensure that the shareholders present can address questions to the directors and the external auditor concerning their reports and the agenda items and that the directors concerned and/or the external auditor give adequate answers to such questions (see below under 6).
- At the shareholders meeting, the chairman shall, if relevant, ask institutional investors or their representatives to explain their voting behaviour.
- Within the framework of the continuous induction of the directors, the chairman shall ensure that the Company makes available the necessary resources to directors who wish to improve their knowledge of the Group or other knowledge that is useful for the execution of their mandate as a director or as a member of the audit committee or the remuneration committee.
- Finally, the chairman shall ensure that new directors receive an adequate induction into:
 - the values and objectives of the Group,
 - the operation of the bodies of the Company,
 - the specific responsibilities and duties of the director both as a member of the board of directors and as a member of any committee he may sit on.

2.6. Remuneration

The directors shall receive a fixed remuneration for the execution of their mandate.

The level of the remuneration shall take into account the role of the individual directors as ordinary board members in their specific roles, as chairman of the board, chairman or member of a board committee, as well as their resulting responsibilities and commitment in time.

In principle, each director is entitled to an annual remuneration of twenty five thousand Euros (EUR 25 000) and the chairman to an annual remuneration of sixty thousand Euros (EUR 60 000). The directors which are member to an advisory committee also receive an additional amount, i.e. three thousand Euros (EUR 3 000) for the members and three thousand nine hundred Euros (EUR 3 900) for the chairman of the remuneration committee and five thousand Euros (EUR 5 000) for the members and six thousand five hundred Euros (EUR 6 500) for the chairman of the audit committee.

In addition, the executive director receives by way of remuneration for his services as chairman of the executive committee a fixed remuneration, a variable payment which will depend on the consolidated recurrent result before IAS-41-adjustment of the Company, certain benefits in kind, and share options. These payments and benefits in kind shall be determined by the board of directors on the recommendations of the remuneration committee.

The remuneration of the directors shall be approved by the shareholders meeting.

SIPEF shall not grant loans or advances to its directors.

2.7. Assessment

On the initiative and under the lead of the chairman, the board of directors shall carry out the following assessment procedures:

- Once every 4 years the directors, possibly assisted by external experts, shall assess the size, composition and operation of the board of directors and its committees, as well as its relationship with the executive committee. Special attention shall be paid to the current composition of the board of directors and the committees, which shall be checked against its desired composition.
- Once a year the non-executive directors shall assess, in the absence of the executive director(s), the relationship between the board of directors and the executive committee.
- In view of the possible reappointment of a director, the other directors shall assess the individual contribution of the director concerned to the proper operation, deliberation and decision-making of the board of directors (supra, 2.2.2.).
- In the event that the said assessment procedures bring certain weaknesses to light, the board of directors shall provide appropriate solutions. Where appropriate, this may result in changes to the composition of the board of directors, for instance by proposing new directors for appointment or proposing not to re-elect existing directors.
- The Statement shall include information in the main features of the evaluation process of the board, its committees and of its individual directors.

2.8. Other mandates

Non-executive directors shall have the right to sit on the board of directors of companies in which SIPEF does not have a participating interest provided that the performance of the mandate concerned does not, or could not, cause significant conflicts of interest and does not affect the proper performance of his/her directorship at SIPEF. However, they may not hold more than five (5) directorships in listed companies in which SIPEF does not have a participating interest. Non-executive directors shall inform the chairman in good time of any change concerning their directorships.

Executive directors may sit on the board of directors of listed companies in which SIPEF does not have a participating interest after having consulted the chairman on this matter.

2.9. Rules of conduct concerning conflicts of interest

Transactions between the Company or one of its affiliated companies and a member of the board of directors shall always be conducted at market conditions. The same applies to transactions between the Company or one of its affiliated companies and a Person Closely Associated with a member of the board of directors.

Directors shall, as far as reasonably possible, avoid the occurrence of conflicts of interest.

If a director has a direct or indirect financial interest that is contrary to a decision or a transaction that comes under the authority of the board of directors, the procedure laid down in Article 523 of the Belgian Company Code shall be applied.

If there is a conflict of interest on the part of a director other than a conflict of interest within the meaning of Article 523 of the Belgian Company Code with regard to a matter that comes under the authority of the board of directors and regarding which it has to take a decision, the director concerned shall inform the other members of the board of directors thereof in advance. They shall then decide whether the director in question has to abstain from voting on the matter to which the conflict of interest relates. In such case, the director in question shall still be allowed to participate in the deliberations.

A conflict of interest other than a conflict of interest within the meaning of Article 523 of the Company Code arises if:

- a Person Closely Associated with the director has a financial interest that is in conflict with a decision or a transaction of the Company;
- a company that does not form part of the Group and where the director or a Person Closely Associated with him/her holds a directorship or a management position, has a financial interest that is in conflict with a decision or a transaction of the Company;

except if this transaction or decision (i) gives rise to a conflict of interest within the meaning of Article 523 of the Company Code, or (ii) relates to a customary transaction at market conditions.

3. ADVISORY COMMITTEES

The Board of Directors has set up two advisory committees, i.e. an audit committee and a remuneration committee. The Board of Directors as a whole shall act as a nomination committee.

3.1. Provisions applicable to all advisory committees

3.1.1. Composition

Advisory committees shall consist of at least three members. The board of directors shall appoint from its members the members and the chairman of such advisory committees for a period that shall not exceed the (remaining) term of the mandate of the director concerned.

Advisory committees shall have the right to invite third parties, including non-directors, to take part in their meetings.

3.1.2. Role and responsibilities

Advisory committees shall have an advisory role. They shall be responsible for the examination of specific issues and the formulation of recommendations to the board of directors.

The board of directors shall supervise the advisory committees. It shall determine the responsibilities, composition and operation of the advisory committees.

3.1.3. Operation

The Board of Directors shall assign the necessary resources and powers to the advisory committees that are required to fulfill their duties properly.

After notification to the chairman of the board of directors, each advisory committee, as far as this is deemed useful, may obtain assistance from one or more external advisors in the performance of its mandate and do so at the expense of the Company.

The meetings of the advisory committees shall be convened by the chairman of the committee concerned.

An advisory committee can deliberate validly only if at least half of its members are present in person.

If a member of an advisory committee is unable to attend a meeting, he can give a proxy to another member of this committee. A member of an advisory committee can represent only one other member of the committee concerned.

The committees shall always endeavour to adopt resolutions by unanimous vote. If no consensus can be reached, the resolution shall be adopted by a simple majority of the votes.

The board of directors shall receive the minutes of each advisory committee meeting.

3.2. Audit committee

Without prejudice to the provisions of 3.1 that are applicable to all advisory committees and the relevant provisions of the Company Code, the following rules shall apply to the composition, role and operation of the audit committee.

3.2.1. Composition

The audit committee shall be composed exclusively of non-executive directors; the majority shall be independent director and at least one of them shall have accounting and auditing expertise.

The chairman of the board of directors shall not preside the audit committee. Even if the chairman of the board of directors is not appointed as a member of the audit committee, he shall nevertheless hold a continuous invitation to attend its meetings.

Unless the audit committee stipulates otherwise, the chairman of the executive committee, the C.F.O. and the person responsible for the internal audit shall have the right to attend the meetings of the audit committee.

The audit committee shall have the right to hear third parties, including the persons who are responsible for accounting or for the internal audit and the external auditor, and to invite them to its meetings for this purpose.

3.2.2. Role

The audit mandate of the audit committee and the reporting duty associated to it relates to the Company and its sub holdings. Furthermore, the audit committee shall also endeavour, within

the legal limits, to obtain relevant information from the audit committees of the other Group Companies.

(a) *Financial reporting*

The audit committee shall ensure that the financial reports of the Company give a true, fair and clear picture of the situation and the prospects of the Company and the Group. On the basis of an audit programme that has been approved by it, the audit committee shall check in particular any annual and half yearly financial information before it is published.

The audit committee shall monitor the correct and consistent application of the Group's accounting standards and valuation rules and, if required, shall make recommendations to review these.

The chief financial officer shall inform the audit committee of the methods used to account for significant and unusual transactions in situations where their accounting treatment may be open to different approaches.

The audit committee shall discuss significant financial reporting issues with one or more members of the executive committee and the external auditor.

(b) *Internal control and risk management*

At least once a year the audit committee shall review the internal control systems set up by management in order to ensure that the main risks (including those relating to compliance with existing legislation and regulations) have been properly identified, managed and disclosed.

The audit committee shall review the statements on internal control and risk management included in the annual report.

The Staff Members may directly inform the chairman of the Board of Directors and/or the chairman of the audit committee of any irregularities as regards financial reporting or other matters. The chairman/chairmen concerned shall ensure an appropriate treatment of this information. If deemed necessary, the audit committee shall, upon request of the chairman of the Board of Directors and/or the chairman of the audit committee, conduct an investigation that is in proportion to the seriousness of the reported irregularities.

(c) *Internal audit*

The audit committee shall review the effectiveness of the internal audit. In particular, it shall make recommendations to the executive committee on the selection, appointment and dismissal of the person responsible for the internal audit, and on the internal audit budget. The audit committee shall also assess the responsiveness of the executive committee to its findings and recommendations on internal audit.

The audit committee shall discuss with the person in charge of the internal audit the work carried out in respect of the internal audit, risk coverage, and the quality of the internal

control and risk management. Any internal audit reports shall be submitted to the audit committee.

The person in charge of the internal audit can contact the chairman of the audit committee and the chairman of the board of directors directly.

(d) *External audit*

The audit committee shall make recommendations to the board of directors on the selection, appointment or dismissal of the external auditor as well as his remuneration and other conditions of appointment.

The audit committee shall assess the independence of the external auditor. The external auditor is required to annually confirm to the audit committee in writing its independence vis-à-vis the Company. The external auditor confers with the audit committee on the threats to his independence and the safety measures which are taken to curtail those threats, as underpinned by him.

The audit committee shall also monitor the nature and scope of non-audit services carried out by the external auditor and the persons with whom he collaborates in a professional alliance. The audit committee shall draw up a formal policy document in which it distinguishes, in accordance with Article 133 of the Belgian Company Code and the Royal Decree of 4 April 2003, the types of non-audit services that are (a) excluded, (b) permissible only after examination by the audit committee, and (c) permissible without referral to the audit committee. The external auditor informs the audit committee annually of the non-audit services carried out.

Pursuant to Article 133, §6 of the Belgian Company Code, the audit committee may grant exemptions from the one-to-one rule set out in Article 133, §5 of the Belgian Company Code, before the non-audit services concerned are performed. Contrary to the purely advisory authority of the audit committee, it has exclusive decision-making power in this matter.

The audit committee shall be informed of the work programme of the external auditor. The external auditor reports to the audit committee on important matters which came to light in the framework of his statutory audit, and more specifically on significant shortcomings in the internal control with respect to the financial reporting.

The audit committee shall review the effectiveness of the external audit process, as well as the executive committee's responsiveness to the recommendations made by the external auditor in his management letter.

As the occasion arises, the audit committee shall investigate the issues that have given rise to the resignation of the external auditor and make recommendations as to any action to be taken.

The external auditor can contact the chairman of the audit committee and the chairman of the board of directors directly.

3.2.3. Operation

The audit committee shall determine the frequency of its meetings. It shall meet at least four (4) times a year.

Regularly, and at least every three years, the audit committee shall review its effectiveness and formulate the necessary recommendations for the board of directors.

At least twice a year the audit committee shall discuss with the external auditor and the person responsible for the internal audit matters relating to the operation of the audit committee as well as any issues that have arisen during the audit process.

3.3. Remuneration committee

Without prejudice to the provisions laid down in 3.1 that apply to all advisory committees, the following rules shall apply to the composition, role and operation of the remuneration committee.

3.3.1. Composition

The remuneration committee shall consist exclusively of non-executive directors of which the majority shall be independent director.

The remuneration committee shall be chaired by the chairman of the board of directors or by another non-executive director.

Unless the remuneration committee decides otherwise, the chairman of the executive committee shall have the right to attend the meetings of the remuneration committee with advisory vote. The chairman of the executive committee shall always be present when the remuneration of the other members of the executive committee is discussed.

The members of the remuneration committee dispose of the required expertise in the field of remuneration policy.

3.3.2. Role

The remuneration committee shall advise the board of directors concerning the remuneration of the members of the board of directors and the executive committee.

In particular, the remuneration committee shall:

- make recommendations to the board of directors regarding the remuneration policy for the directors and regarding proposals resulting from this policy for approval by the shareholders meeting;
- formulate proposals concerning the remuneration policy for the members of the executive committee. This remuneration policy shall include amongst others the main contract terms (including severance conditions and pension schemes) and criteria for determining the remuneration;
- make recommendations on the individual remuneration for directors and members of the executive committee (including variable remuneration and long-term incentive schemes such as stock options and other financial instruments and severance

payments), as well as on resolutions to be proposed to the shareholders' meeting in connection therewith;

- assess the performance of the members of the executive committee, with the exception of the performance of the managing director, in consultation with the latter.
- prepare the Remuneration report which shall be integrated in the Statement by the board of directors;
- comment on the Remuneration report at the annual shareholders' meeting.

3.3.3. Operation

The remuneration committee shall determine the frequency of its meetings. It shall meet at least twice (2) a year.

At meetings in which the remuneration of an individual member of the remuneration committee is discussed, the member concerned may attend but not chair the meeting.

3.4. *Nomination committee*

3.4.1. Composition

The nomination committee shall be composed of all the members of the board of directors.

The nomination committee shall be chaired by the chairman of the board of directors.

3.4.2. Role

The objective of the nomination committee shall be to ensure that the appointment process is organized objectively and professionally. To this end, it shall:

- periodically review the size, composition and succession planning of the board of directors and the executive committee and, if necessary, take decisions in this respect;
- amend the appointment procedure for members of the board of directors (see 2.2.2. above);
- assess the candidates for appointment or reappointment, including those nominated by the shareholders.

3.4.3. Operation

The nomination committee shall meet whenever this is deemed necessary.

When the reappointment or succession of a member of the board of directors or a member of the executive committee who is also a member of the board of directors is discussed, the person in question shall not be present.

4. Executive committee

4.1. *Responsibilities of the 'executive committee'*

The board of directors delegated the daily management of the Company to a collegiate body that, since 1 July 2014, is called the "executive committee".

The executive committee is responsible for:

- the daily management of the Company;
- the preparation of all the decisions that have to be taken by the board of directors in order to perform its duties;
- the preparation of the statutory and consolidated annual accounts, as well as the interim figures;
- preparation and monitoring of the budget;
- monitoring the cash situation of the Company and the Group;
- presenting to the board of directors an up-to-date, accurate and comprehensive view of the operational and financial developments of the Company and its participations;
- preparation of the Company's required disclosure of the financial and non-financial information;
- organizing the internal audit;
- putting internal controls in place, based on the framework approved by the board;
- monitoring compliance with the legislation and regulations applicable to the Company;
- formulating proposals concerning the strategy to be followed;
- preparing investment and/or disinvestment proposals;
- monitoring the different participations;
- executing the decisions taken by the board of directors;
- representing the Company in the boards of directors and other management bodies of the participations;
- determining the remuneration of executives and other staff members.

The board of directors shall grant the executive committee the necessary operational freedom and resources to enable it to perform the said duties properly.

After the statutory and consolidated annual accounts have been adopted by the board of directors, which usually takes place in February, the executive committee shall account to the board of directors for the performance of its duties in the past financial year.

4.2. Composition

The board of directors shall appoint and dismiss the members of the executive committee. As a general rule, the members of executive committee shall be appointed for an indefinite period of time.

The executive committee currently consists of five (5) members, of which one (1) member is also part of the board of directors.

The board of directors shall endeavour to limit the membership of the executive committee in order to ensure efficient deliberation and decision-making by this body.

At the same time, the board of directors shall ensure that the executive committee is composed of persons of integrity with a variety of professional backgrounds, who have the required knowledge and experience as well as complementary skills (i.e., in the sphere of management, finance and law) in order to perform their duties properly.

The members of the executive committee shall resign on the date of the first board meeting of the year in which they reach the age of 65.

In the interest of the company, the board of directors can request the concerned member of the executive committee to continue his activities after the age of 65 years.

4.3. Deliberation and decision-making

The executive committee shall in principle meet every week. In addition, the executive committee shall meet whenever required by urgent decisions.

The executive committee cannot deliberate validly unless the majority of its members are present or represented at the meeting.

If a member of the executive committee is unable to attend a meeting, he can give a proxy to another member, provided always that each member can only represent one other member.

The members of the executive committee shall receive an agenda with the annexes prior to the meeting.

The executive committee shall endeavour to adopt resolutions by unanimous vote. If no consensus can be reached on a particular proposal, the resolution will be adopted by a simple majority of votes.

4.4. Representation

Without prejudice to the general representation power (see 2.4 above), the Company shall be duly represented within the framework of the daily management by two members of the executive committee acting jointly.

The board of directors has also granted special powers to executives who can represent the Company in bank matters and correspondence, as far as acting jointly with a member of the executive committee.

4.5. Remuneration policy

The board of directors shall, upon proposal of the remuneration committee, determine the remuneration policy in respect of the members of the executive committee.

The aim of this policy is to attract, retain and motivate competent and professional persons. The remuneration of the members of the executive committee shall reflect their individual duties and responsibilities.

An important aspect of the remuneration policy is the remuneration committee's assessment of the contribution of each member of the executive committee to the development of the activities and results of the Group.

The remuneration committee shall periodically review the market conformity of the remuneration of the members of the executive committee on the basis of equations in the market.

The members of the executive committee shall receive a fixed remuneration, a variable remuneration in the form of an annual variable remuneration and contingent share options.

The fixed remuneration of each member of the executive committee shall be in line with the individual responsibilities he or she has within the Company and the Group. The remuneration that similar companies pay to persons in comparable positions shall be taken into account. The amount of the fixed remuneration shall be reviewed annually by the remuneration committee, which shall make recommendations to the board of director on any changes.

The purpose of the variable remuneration is to stimulate and reward the performance of the members of the executive committee as a whole. The annual variable remuneration is calculated on the basis of the consolidated recurrent result before IAS-41-restatement and shall be determined by the board of directors on the recommendations of the remuneration committee. An agreement was concluded in that respect with the members of the executive committee in accordance with Article 520bis juncto Article 525, last paragraph of the Companies Code. The members of the executive committee agreed to reimburse at first demand any portion of their (net) variable remuneration if and to the extent that such remuneration would be calculated on the basis of incorrect financial information

The members of the executive committee shall also receive a company car, and benefit from a group insurance (pension, optional death insurance, disability insurance and ahealth insurance).

The purpose of the share option plan of the Company, approved in November 2011, is to promote the long-term motivation of the members of the executive committee and general managers of the foreign subsidiaries, whose activities are vital to the success of the Group. The granting of share options have since been announced in the Remuneration report.

The remuneration committee is in charge of the implementation of this plan and advises the board of directors on the granting of the options. The options entitle their holder to acquire as much shares of SIPEF. The options are offered free of charge and shall be valid for a period of 10 years.

4.6. Assessment

Upon initiative of the remuneration committee, the members of this committee together with the managing director shall assess the contribution of each member of the executive committee to the development of the activities and the results of the Group.

The chairman of the executive committee shall not take part in the assessment of his or her own performance.

4.7. Rules of conduct concerning conflicts of interest

Transactions between the Company or one of its affiliated companies and a member of the executive committee shall always be conducted at market conditions. The same applies to transactions between the Company or one of its affiliated companies and a Person Closely Associated with a member of the executive committee.

Members of the executive committee shall, as far as reasonably possible, avoid the occurrence of conflicts of interest.

If a member of the executive committee has a conflict of interest in respect of a matter that comes under the authority of the executive committee and on which the executive committee has to take a decision, the member concerned shall inform the other members of the executive committee thereof beforehand. The latter shall then decide whether or not the member concerned must abstain from voting on the matter to which the conflict of interest relates. In such case, the member concerned may nevertheless participate in the deliberations.

There is a question of a conflict of interest on the part of a member of the executive committee within the meaning of the above paragraph, if:

- the member of the executive committee or a Person Closely Associated with him/her has a financial interest that is in conflict with a decision or a transaction of the Company;
- the member of the executive committee or a Person Closely Associated with him/her holds a board or management position at a company which is not part of the Group and this company has a financial interest that is in conflict with a decision or a transaction of the Company;

except if this transaction or decision (i) has an impact on the Company and/or another Group company of less than EUR 10 000, or (ii) relates to a customary transaction at market conditions.

5. RULES OF CONDUCT CONCERNING FINANCIAL TRANSACTIONS

Given the fact that the Staff Members may have Inside Information, they are subject to several legal provisions regarding abuse of Inside Information and market manipulation. An infringement of these provisions shall result in administrative and penal sanctions and may give rise to the civil liability of the person concerned.

The rules of conduct set out below form, an addition to the existing legal and regulatory provisions regarding the prohibition of market abuse. These provisions shall remain applicable to the Staff Members.

5.1. Compliance officer

The board of directors has appointed the executive director and the Chief Financial Officer (acting on mutual agreement) as compliance officer. The executive director and the Chief Financial Officer may designate one or more Staff Members, who preferably have worked for the Company for a number of years., to perform their tasks as compliance officer in case one of them (or both) is (are) unavailable.

Without prejudice to the responsibilities of the board of directors, the executive committee or any authorized committee or person(s), the compliance officer shall be responsible for the supervision of compliance with the rules of conduct concerning Transactions.

As soon as a Staff Member has Inside Information, he shall inform the compliance officer of (the existence of) Inside Information. The compliance officer shall then inform the board of directors, the executive committee or an authorized committee or person(s) with a view to decide on the coming into force of a Closed Period.

Upon their request, the compliance officer shall inform Staff Members of any Closed and Prohibited Periods that are applicable.

5.2. Insider list

The compliance officer shall also be responsible for the production of lists of persons having access to Inside Information. He shall produce two separate lists, a permanent list setting out the Staff Members of the Company and an “ad hoc” list per project setting out persons that are involved on an occasional basis in a project which gives rise to Inside Information.

The insider list shall include:

- (a) the identity of any person having access to inside information (including name, surname, maiden name (if different), date of birth, national identification number, function, professional telephone number, private telephone number and private address);
- (b) the reason for including that person in the insider list;
- (c) the date and time at which that person obtained access to Inside Information;
and
- (d) the date on which the insider list was drawn up.

The compliance officer shall update these lists promptly, including the date of the update, in the following circumstances: (i) where there is a change in the reason for including a person already on the insider list; (ii) where there is a new person who has access to inside information and needs, therefore, to be added to the insider list; and (iii) where a person ceases to have access to inside information. Each update shall specify the date and time of the update. Persons that are included in the insider lists shall promptly notify the compliance officer of any modification in their personal details. The compliance officer shall ensure that these lists are archived for a period of 5 years as of the original drafting or the updating thereof and he shall procure these to the FSMA, if so requested by the latter.

The compliance officer shall ensure that any person included on an insider list which has access to Inside Information, confirm in writing to be aware of the ensuing legal and regulatory obligations and of the sanctions attached to the abuse or the illegal dissemination of such information.

5.3. Standards of conduct concerning transactions in Financial Instruments and Listed Participations

5.3.1. Requirement of notification to the compliance for all Staff Members

Before committing themselves to a transaction in Financial Instruments of the Company or of a Holding Company, each Staff Member must notify the compliance officer of their intentions. In this notification, the Staff Member shall confirm that he does not have access to Inside Information. The compliance officer shall then inform the person concerned whether or not a Closed or Prohibited Period applies.

The compliance officer himself shall inform the executive directors before committing to a transaction in Financial Instruments of the Company or of a Holding Company.

The permission to perform the Transaction shall be valid until the 5th working day after which the permission was given. The permission to perform the Transaction shall automatically expire in the event and as soon as the Staff Member obtains access to Inside Information.

The compliance officer shall keep a file of all pre-transaction notifications (including his own notifications to the executive directors) setting out (if relevant) that a Closed or Prohibited Period was applicable. These data shall be handled in accordance with the law on protection of privacy of 8 December 1992. Pursuant to this law, all Staff Members have access to their personal data and they are entitled to correct any errors.

5.3.2. Legal notification duty to the FSMA for all Persons Discharging Managerial Responsibilities and the Persons Closely Associated to them

The compliance officer shall produce a list of all Persons Discharging Managerial Responsibilities and the Persons Closely Associated to them. The compliance officer shall inform the Persons Discharging Managerial Responsibilities thereof. To this end, the compliance officer may request the Persons Discharging Managerial Responsibilities to provide the relevant personal details (limited to the name, surname, maiden name (if different), date of birth and full address) of the Persons Discharging Managerial Responsibilities and the Persons Closely Associated to them that are physical persons. The Persons Discharging Managerial Responsibilities shall provide the following information on the Persons Closely Associated to them that are legal entities: name of the company, legal form, address and registration number. Persons Discharging Managerial Responsibilities shall promptly inform the compliance officer of any modification in their personal details and those of their Closely Associated Persons. These data shall be handled in accordance with the law on protection of privacy of 8 December 1992. Pursuant to this law, all Staff Members have access to their personal data and they are entitled to correct any errors.

The compliance officer shall ensure that the Persons Discharging Managerial Responsibilities confirm in writing to be aware of their duties, including the obligation to inform the compliance officer and the FSMA of any Transaction on its own account, as set out below. Persons Discharging Managerial Responsibilities shall inform their Closely Associated Persons of the following: (a) that they are Closely Associated Persons, and (b) their duties including the obligation to inform the compliance officer and the FSMA of any Transaction on their own account, as set out below. Persons Discharging Managerial Responsibilities shall keep a copy of these notifications.

Persons Discharging Managerial Responsibilities and Persons Closely Associated to them shall notify the compliance officer and the the FSMA of Transactions on their own account relating to Financial Instruments of the Company. Transactions executed by a third party on behalf of or to the benefit of Persons Discharging Managerial Responsibilities and Persons Closely Associated to them (including on the basis of a discretionary power) must also be notified.

This notification shall be made within 3 working days from completion of the Transaction. The notification may, however, be delayed as long as the total amount of Transactions completed within the current financial year does not reach EUR 5 000. When attaining this threshold all Transactions performed until then shall be notified within 3 working days from completion of the last Transaction. In the event that the total amount of the Transactions in one calendar year has not reached the threshold of EUR 5 000, the Transactions concerned shall be notified before 31 January of the next year.

For purposes of the preceding paragraph, the total amount of Transactions shall be computed by summing up the Transactions conducted on the own account of the Person Discharging Managerial Responsibilities concerned with the Transactions on the own account of the Persons Closely Associated to him/her.

The duty to notify the compliance officer and the FMSA does, however, not apply to Transaction in Financial Instruments in the event that at the time of the Transaction, the Financial Instrument is a unit or share in a collective investment undertaking in which the exposure to the Company's shares or debt instruments does not exceed 20% of the assets held by the collective investment undertaking.

5.3.3. Prohibition of Transactions in Closed and Prohibited Periods

Each Staff Member shall refrain from executing Transactions in Financial Instruments of the Company or a Holding Company during the Closed and Prohibited Periods. The aforementioned prohibition does not apply to Transactions executed by a third party on behalf of or to the benefit of a Staff Member on the basis of a discretionary trading mandate pursuant to which the third party executes such Transactions independently from the principal.

A Staff Member who does not have access to Inside Information may in specific circumstances be granted permission to trade during a Closed Period on its own account or for the account of a third party either:

- on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or

- due to the characteristics of the Trading involved for Transactions made under, or related to, an employee share plan, or Transactions where the beneficial interest in the relevant Financial Instrument does not change.

The Staff Member requesting permission to Trade shall also demonstrate that the Transaction cannot be executed at another time outside the Closed Period.

A Staff Member who wishes to request permission to Trade within the Closed Period shall:

- inform the compliance officer in writing of the envisaged Transaction and the nature of the envisaged Transaction no later than 3 working days prior to the envisaged Transaction; and
- confirm in its notification to the compliance officer that he does not have access to Inside Information.

The permission to Trade shall be given at the end of the second working day from the date at which the compliance officer has received the written notification including the aforementioned information. In the event that no reply is given within this period, the permission will be deemed to have been granted. A permission is valid until the end of the first working day from the date at which the permission was (deemed to have been) given. The permission to Trade shall expire automatically in the event that and as from the moment the Staff Member has access to Inside Information

In the event that the compliance officer wishes to request permission to Trade, he shall request the chairman of the executive committee for permission.

The compliance officer shall keep a file of the answers to all trading requests and the permissions granted. A copy of the answer and the permission, if any, shall be handed to the person having requested permission to Trade.

5.3.4. Prohibition of abuse of Inside Information

Pursuant to Articles 14 *juncto* 8 and 10 of the Market Abuse Regulation, Staff Members who have Inside Information of which they know or should know that it is Inside Information, shall not be allowed to:

- (i) use this Inside Information by acquiring or disposing of for his own account or for the account of a third party, either directly or indirectly, Financial Instruments to which that Inside Information relates;
- (ii) cancelling or amending an order concerning a Financial Instrument to which the Inside Information related where the order was placed before the person concerned possessed the Inside Information;
- (iii) disclose this Inside Information to any other person, unless such disclosure is made in the normal course of the exercise of his employment, profession or duties;
- (iv) recommend to another person, on the basis of this Inside Information, to acquire or dispose of Financial Instruments to which that information relates.

The prohibition referred to under (i) shall not apply to Transactions concluded further to an obligation to acquire or dispose of Financial Instruments provided that such obligation has become due and results from an order placed or an agreement concluded before the person concerned possessed relevant Inside Information or that Transaction is carried out to satisfy a legal or regulatory obligation that arose before the person concerned possessed the Inside Information.

5.3.5. Prohibition of market manipulation

Pursuant to Article 15 *juncto* 12 of the Market Abuse Regulation, Staff Members shall not be allowed to:

- (i) conclude Transactions or issue trade orders:
 - a. which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of Financial Instruments; or
 - b. resulting in a person, or persons acting in collaboration, maintaining the price of one or several Financial Instruments at an abnormal or artificial level, unless the person who entered into the Transactions or issued the trade orders establishes that his reasons for doing so are legitimate and that these Transactions or orders to trade are in conformity with accepted market practices on the market concerned (as determined on the basis of Article 13 of the Market Abuse Regulation);
- (ii) conclude Transactions or issue trade orders by making use of fictitious devices or any other form of deception or contrivance;
- (iii) disseminate information or rumors through the media, the Internet or by any other means, which gives or is likely to give false or misleading signals as to financial instruments whereas the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
- (iv) participate in any arrangement which could lead to acts as referred to under (i) to (iii) above;
- (v) incite one or more persons to carry out acts which, if he were to carry them out himself, would be prohibited pursuant to (i) to (iii) above.

5.3.6 Prohibition of short term trading, options trading and short selling

The Company is of the opinion that speculative trading in Financial Instruments of the Company may amount to illegal behaviour or at least create the perception of illegal behaviour. Therefore the Staff Members are prohibited from doing the following with respect to Financial Instruments of the Company:

- (i) successively acquiring and selling Financial Instruments on a stock exchange within a timeframe of less than three months;
- (ii) acquiring and selling put- and call options;
- (iii) short selling, meaning every Transaction in a Financial Instrument, of which the seller is not the owner at the time of conclusion of the sales agreement, including any like Transaction when the seller, at the time of conclusion of the sales agreement, has borrowed the Financial Instrument or has concluded a loan

agreement in view of delivering the Financial Instrument at the time of execution of the Transaction;
except, with respect to the Transactions described under (i) and (ii), when these Transactions are entered into in the framework of the Company's stock option plan or are not entered into with a speculative purpose and have been notified in advance to the compliance officer and to the managing director.

5.4. Standards of conduct concerning Transactions in Financial Instruments in Group Companies

Staff Members shall be prohibited from acquiring directly or indirectly Financial Instruments in Group Companies, whether Listed or non-Listed Group Companies. They shall take all reasonable measures to prevent the Persons Closely Associated to them from acquiring such Financial Instruments.

The board of directors may grant exemptions to this prohibition.

In the event of transfer of Financial Instruments in Group Companies or in the event that the board of directors grants an exemption to the aforementioned prohibition, the above provisions shall apply *mutatis mutandis*.

6. SHAREHOLDERS MEETING

The ordinary shareholders meeting shall be held on the second (2th) Wednesday of the month of June.

The board of directors shall encourage the shareholders to attend the shareholders meetings in person. Shareholders who are unable to attend a particular meeting may use a model proxy which the Company shall make available on the website in good time and which it shall also send to holders of registered shares.

The agenda of the shareholders meetings as well as all the documents which pursuant to the provisions of the Company Code must be transmitted to the holders of registered shares shall be made available on the website on the date that these documents are sent out. At the same time the Company shall, as far as available, provide on the website useful background information to the agenda (e.g. dividend policy). The notice convening the meeting shall state where such background information, if any, can be found.

At the meeting, the shareholders may ask questions about the reports of the directors and the external auditor and about all items on the agenda. The shareholders may submit questions in writing after the publication of the convocation for the shareholders' meeting, provided the Company receives the written questions at the latest 6 days prior to the meeting. At the meeting, the chairman of the board of directors shall ensure a proper exchange of questions and answers between the shareholders on the one hand and the directors and external auditor on the other. The directors and the external auditor may refuse to answer certain questions provided the disclosure of certain facts or circumstances would be detrimental to the interests of the Company or constitute an

infringement of the confidentiality undertakings of the Company, the directors or the external auditor.

The board of directors shall be obliged to convene a shareholders meeting at the request of shareholders who have a 20 percent stake in the Company.

One or more shareholders holding together at least 3% of the shares of the Company, may, pursuant to Article 533ter of the Companies Code, add items to the agenda of the shareholders' meeting and submit resolutions to be proposed. These requests must be notified to the Company at the latest 22 days prior to the meeting.

The minutes of the general meetings as well as the voting results shall be made available on the Company's website within 15 days after the meeting.

7. SHAREHOLDER STRUCTURE AND CROSS PARTICIPATIONS

(Situation on 31 December 2015)

7.1 Shareholders

The Company ensures equal treatment among its shareholders and respects their rights. The Company disposes of a communication policy which promotes an effective dialogue with the existing and potential shareholders.

7.2 Shareholder structure

On 12 February 2007, Ackermans & van Haaren (AvH) NV and acting in concert with family Baron Bracht, Cabra NV and GEDEI NV, informed the Company of the existence of a shareholders' agreement to create a stable shareholding for SIPEF and to encourage a balanced development and profitable growth for SIPEF and its subsidiaries. This shareholders' agreement is valid for a period of 15 years and includes a.o. covenants for the nomination of directors and transfer of shares.

On 19 October 2015 Ackermans & van Haaren NV was in possession of 27,653% and Baron Bracht and children, associated with Cabra NV and GEDEI NV of 12,796%.

On 1 September 2008 following information was received:
Fortis Investment Management NV: 5,493%;
Alcatel Pensioenfond VZW: 5,246%.

7.3 Cross participations

The Company has no knowledge of any cross participations that could have an important influence on its activities.

7.4. Shareholder of reference

Except for the declaration mentioned in 7.2. the board of directors has no knowledge of any shareholders' agreement in the Company.