



Resilux NV

Corporate Governance Charter

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Resilux NV

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1. INTRODUCTION

1.1. About Resilux

Resilux NV is a limited liability company under Belgian law with its registered office at Damstraat 4, 9230 Wetteren, whose shares are listed on the regulated market of Euronext Brussels (the “Company”).

The Company has multiple direct and indirect subsidiaries in Belgium and abroad (the Company together with its subsidiaries, the “Group”). A structure chart of the Group is included in the annual report of the Company.

The Group’s core activity is selling plastic (PET) packaging in the form of preforms, bottles, jars and containers in various weights, colours and shapes for numerous applications and for one-off or repeated use. The preforms are blown out into bottles and are then filled with water, soft drinks, beer, milk, fruit juice, edible oil, ketchup, detergents, etc. The Group offers different types of specific applications (e.g. “multilayers”) for sensitive products requiring barrier treatment (for example beer). The production of PET preforms and bottles is automated to a great extent. The Company’s headquarters, and production plant, is in Wetteren. In addition, production units were established or taken over in the following countries: Spain, Russia, Switzerland, Greece, the United States, Hungary, Serbia and Romania. An extensive and widespread sales network has been developed from within the sales departments of the production units, partly in cooperation with agents, distributors and local contacts. In order to diversify the activities of the Group, a PET recycling plant in Switzerland was acquired and integrated in a newly formed company called Poly Recycling AG. Poly Recycling AG focuses on the recycling of used PET bottles to convert them into high-quality PET recyclate (“rPET”) that can be reused in the food sector as well as in other business sectors.

1.2. Reference code

In accordance with article 3:6 §2 of the Code on companies and associations (“CCA”) and the Royal Decree of 12 May 2019 on the designation of a code in respect of corporate governance to be complied with by listed companies, the Company complies with the Belgian Corporate Governance Code 2020 (“Code 2020”). The Code 2020 can be consulted on <http://www.corporategovernancecommittee.be/>

In application of the Code 2020 the Company elaborates in this Corporate Governance Charter (“Charter”) on the main aspects of its corporate governance policy, such as its governance structure, the functioning of the board of directors (“Board of Directors”) and its committees. In addition, the Charter also contains a description of the Company’s policies with respect to ethical behaviour, conflicts of interest and prevention of market abuse.

This Charter was approved by the Board of Directors of the Company and will be updated by the Board of Directors of the Company in case of changes to applicable legislation, the Code 2020 or the Company’s organization.

The Code 2020 and this Charter supplement the articles of association of the Company, the CCA and certain Belgian and European legislation applicable to the Company. This Charter and the articles of

association of the Company are available on the website of the Company (www.resilux.com), with mention of the date of the latest update.

1.3. Corporate Governance Statement

The Company includes a corporate governance statement (“**CG Statement**”) in its annual financial report that contains, in addition to the elements legally required, information on how the Code 2020 is complied with, including the reasons for deviating from certain provisions of the Code 2020 in accordance with the “comply or explain” principle. The CG Statement is presented to the general shareholders’ meeting at the occasion of the annual general meeting.

The annual financial report also contains the “statement on corporate governance”, presented as part of the CG Statement, taking into consideration the (partially) overlapping nature of the information to be provided in both statements.

2. GOVERNANCE STRUCTURE

The Company organises and revisits its governance structure to accommodate its evolving needs. At least every five years, the Board of Directors assesses whether the chosen governance structure is still appropriate. If not, the board proposes a new structure to the general meeting.

The Company has opted for a “one-tier” governance structure in which the Board of Directors is the Company’s highest collegial decision-making body. The Board of Directors has the power to perform all acts necessary to achieve or which facilitate achieving the Company’s objective, except those for which, according to the law or the articles of association, only the general meeting is authorised.

The responsibilities, obligations, composition, powers and operation of the Board of Directors are described in the internal regulations for the Board of Directors (see section 4), in accordance with the Company’s articles of association.

The Board of Directors has established an audit committee (“**Audit Committee**”) and a remuneration and nomination committee (“**Remuneration and Nomination Committee**”). These committees advise the Board of Directors in specific matters that they monitor thoroughly and for which they formulate recommendations for the Board of Directors. The ultimate decisionmaking, however, remains with the Board of Directors. The composition, powers and operation of the Audit Committee and Remuneration and Nomination Committee are described in their respective internal regulations (see section 5 and 6).

Furthermore, the Board of Directors has delegated the daily management and certain additional powers to the managing directors, Fodec Management BV, represented by its permanent representative Peter De Cuyper, and Didec Management BV, represented by its permanent representative Dirk De Cuyper (“**Managing Directors**”). They are assisted in the exercise of their duties by the other members of the executive management and the executive management (“**Executive Committee**”). The composition, powers and operation of the Executive Committee are described in Section 7 (below).

3. SHAREHOLDERS' STRUCTURE AND GENERAL MEETING

3.1. Share Capital and Shares

The current amount of the share capital of the Company and the current number of shares can be consulted on the [website](#) of the Company (www.resilux.com).

All shares of the Company belong to the same category of securities. The shares have been fully paid up and have the same fractional value. Each share gives the right to one vote at the general meeting.

Shares of the Company can be either registered or dematerialised. The owners of registered shares can request, at his/her own expense, that the shares be converted to registered shares and vice versa. All shares of the Company are listed on the regulated market of Euronext Brussels.

3.2. Reference shareholders

On the date of the latest revision of this Charter, STAK Tridec, the De Cuyper family, Immo Tradec NV, Belfima Invest NV and Tradidec NV – acting in concert – jointly own more than 50% of the shares of the Company, thereby controlling the Company.

The articles of association of the Company provide that four directors shall be appointed from among the candidates nominated by STAK Tridec, insofar that STAK Tridec, as well as all entities it directly or indirectly controls, holds at least, directly or indirectly, 35% of the shares of the Company at the time of the nomination of the candidate-directors and at the time of their appointment by the general meeting.

No further rights are associated with the shares in the Company held by the reference holders. The Company has no knowledge of any agreements between the reference shareholders. The Company encourages the reference shareholders to comply with the Code 2020 and to respect the rights and interests of the minority shareholders. The Board of Directors further encourages the reference shareholders to clearly express their strategic objectives in a timely manner to the Board of Directors.

For further information with respect to the other shareholders that, from time to time, have built up an interest in the Company in excess of 3% of the total outstanding voting rights please refer to section 3.3.

3.3. Notification of Major Shareholdings

In accordance with the Law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions (“**Transparency Law**”), the Company has set the applicable thresholds that if exceeded in certain circumstances set out in the Transparency Law give rise to a notification to the Company and the FSMA at 5% of the total outstanding voting rights and multiples of 5%. The Company has provided for an additional threshold of 3%.

The notification must be made immediately and at the latest within four trading days after the date on which the notification requirement is triggered. When the Company receives a transparency

notification, it has to publish such information within three trading days following receipt of the notification.

3.4. Equal Treatment and Dialogue with Shareholders

The Company ensures that all shareholders in equal circumstances are treated equally, respects their rights and encourages their involvement.

The Board of Directors encourages an effective dialogue with shareholders and potential shareholders, in order to achieve a better understanding of their objectives and concerns. The Company discusses with institutional investors the implementation of their policy on the exercise of institutional investors' voting rights in the relevant financial year and asks institutional investors and their voting agencies for explanations on their voting behaviour. The Board of Directors encourages shareholders, and in particular, institutional investors, to communicate their evaluation of the company's corporate governance prior to the general shareholders' meetings and at least through participation in the general shareholders' meeting.

In order to facilitate the dialogue with the shareholders, the Company communicates efficiently and in a transparent manner. The Company dedicates a specific part of its website to informing shareholders ("*investor relations*"). This part of the website contains among others a calendar regarding the availability of periodic information and the general meetings, the articles of association and the Charter. In addition, and in accordance with Belgian law, the Company prepares statutory and consolidated annual accounts and the corresponding annual reports, communicates half-year figures, and, as the case may be, discloses price-sensitive and other information to the public by way of a press release. The aforementioned information is made public through the website of the Company, the communication channels of Euronext Brussels and on STORI, the Belgian central storage mechanism, which is operated by the Belgian Financial Services and Markets Authority ("**FSMA**") which can be accessed via www.fsma.be.

Feedback of such dialogue is given to the Board of Directors, on at least an annual basis.

3.5. General Shareholders' Meeting

Ordinary, special and extraordinary shareholders' meetings

The ordinary general shareholders' meeting of the Company takes place annually on the third Friday of the month May, at 3.00 pm, at the registered office of the Company or at any other location indicated in the convocation notice. The ordinary general meeting deals with (i) the approval of the annual accounts (including the allocation of profit or loss), (ii) as the case may be, the (re-)appointment of directors and/or the statutory auditor, (iii) discharge to be granted to the directors and the statutory auditor with respect to the previous financial year, and (iv) any other matter that is duly placed on the agenda of the general meeting. In addition, special and extraordinary general shareholders' meetings can be convened whenever this is required in the interest of the Company.

Convocation and agenda

The Board of Directors or the statutory auditor convene the general shareholders' meeting and determine its agenda. They are obligated to convene the general shareholders' meeting within three weeks following a request to this extent by shareholders representing one tenth of the share capital, with at least the agenda items proposed by such shareholders.

One or more shareholders jointly owning at least 3% of the share capital of a listed company can place items on the agenda of the general shareholders' meeting and submit proposals of resolutions with respect to the items on the agenda or items to be added to the agenda. Shareholders that would like to make use of this possibility are referred to the procedure included in the CCA, the articles of association and the convocation notice.

When convening general shareholders' meetings, the Company will provide adequate background to the agenda items and resolutions proposed by the Board of Directors.

Participation in general shareholders' meetings

The Company encourages shareholders to participate in general shareholders' meetings. The general shareholders' meetings are used to communicate with shareholders. Shareholders that cannot be present have the possibility to be represented by a proxy-holder. In the convening notice, the Board of Directors can provide the opportunity to vote remotely by letter by filling out a form provided by the Company.

The right to participate in and to exercise the right to vote at the general meeting will only be granted on the basis of the accounting entry of the shareholder's registered shares at midnight (Belgian time) on the fourteenth day prior to the general meeting, either by their entry in the company's share register or by their entry in the accounts of an approved account holder or a settlement institution, regardless of the number of shares that the shareholder holds on the date of the general meeting. The shareholder must notify either via the e-mail address of the Company or via the e-mail address mentioned in the convocation notice, or by way of the written proxy, that he wishes to participate in the general meeting no later than the sixth day prior to the date of the meeting.

In addition, the holders of dematerialised shares must, no later than the sixth day prior to the date of the meeting, provide a certificate evidencing the number of shares they held on the registration date and with which they intend participate to the general shareholders' meeting.

Process and questions

The Chairman (as defined in Section **Error! Reference source not found.**) leads the general shareholders' meeting and ensures that relevant questions are answered, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the company's business interests or the confidentiality which the company or its directors have undertaken to observe:

- the directors answer questions on the annual report or the agenda items;
- the chairman of the Remuneration and Nomination Committee discusses the remuneration report and answers any questions regarding the activities of the Remuneration and Nomination Committee; and

- the chairman of the Audit Committee answers any questions regarding the activities of the Audit Committee.

Quorum and majority

The quorum and majority requirements that are applicable to the general shareholders' meeting have been provided in the articles of association.

Minutes

In accordance with the CCA the Company publishes the results of the vote and the minutes of the general shareholders' meeting on its website within 15 days after the meeting.

4. INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

4.1. Composition

The Board of Directors should have a composition appropriate to the Company's purpose, its operations, phase of development and structure of ownership. The composition of the board is determined so as to gather sufficient diversity of skills, background, age and gender, as well as complementarity in expertise, experience and knowledge. More specifically, the following requirements apply:

- in accordance with the articles of association the Board of Directors consists of minimum three and maximum seven members;
- to the extent that it holds at least 35 percent of the Company's shares, directly or indirectly, STAK Tridec has the right to nominate four candidates to be appointed as directors;
- at least half of the members of the Board of Directors are non-executive directors;
- at least three directors are independent in the sense of the CCA and the Code 2020; and
- at least one third of the members of the Board of Directors should be of a different gender than that of the other members.

A list of the members of the Board of Directors is published in the CG Statement and on the website of the Company, whereby it is indicated which of them are independent directors.

4.2. Appointment

The members of the Board of Directors are appointed by the general shareholders' meeting for a term of maximum four years. The members can be re-appointed.

Prior to each new appointment to the Board of Directors, it is assessed which skills, knowledge and experience are already available at the level of the Board of Directors and those that are still required, in which case specific criteria can apply to executive and non-executive directors. Further to this assessment, a description of the required role, skills, knowledge and experience ("profile") is drawn up. In case of a re-appointment there is an assessment of the director's commitment and effectiveness.

All proposals for appointment or re-appointment of a director by the general meeting - including those proposed by the shareholders - are accompanied by a recommendation of the Board of Directors, which is based on the advice of the Remuneration and Nomination Committee, taking the needs of the Company into account and in accordance with the selection criteria drawn up by the Board of Directors and the appointment procedure. The proposal mentions the proposed term of the mandate and is accompanied by relevant information on the candidate's professional qualifications, together with a list of positions that he/she already holds. The Board of Directors states which candidates meet the independence requirement set out in article 7:87 CCA.

In accordance with Article 16 of the Articles of Association, the remaining directors have the right to provisionally fill the vacancy when a director's position becomes vacant.

Non-executive board members are made aware of the extent of their duties at the time of their application, in particular, as to the time commitment involved in carrying out those duties, also considering the number and importance of their other commitments. Non-executive board members should not take on more than five board memberships in listed companies. Changes to their other relevant commitments and their new commitments outside the company should be reported to the Chairman as they arise.

4.3. Powers

The Board of Directors pursues sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance.

In order to effectively pursue such sustainable value creation, the Board of Directors develops an inclusive approach that balances the legitimate interests and expectations of shareholders and other stakeholders.

In light thereof, the Board of Directors has, among others, the following tasks:

- The Board of Directors decides on the Company's strategy and determines the risk appetite of the Company, its values and main policies.
- The Board of Directors monitors and assesses the performance of the Company vis-à-vis the approved strategy, objectives, plans and budgets.
- The Board of Directors determines the structure of the executive management of the Company and determines the powers and duties entrusted to the executive management. The Board of Directors assesses the performance of the executive management on an annual basis.
- The Board of Directors steers the appointment and dismissal process with respect to the Managing Directors, and, as the case may be, submits proposals to that effect to the general shareholders' meeting. The Board of Directors also appoints and dismisses the other members of the executive management, in consultation with the Managing Directors, and considering the need for a balanced executive team.
- The Board of Directors prepares a remuneration policy and issues a remuneration report considering the advice of the Remuneration and Nomination Committee, and submits these to a vote by the shareholders of the Company.
- The Board of Directors closely monitors the subsidiaries of the Company.
- The Board of Directors approves a framework of internal control and risk management proposed by the executive management and review the implementation of this framework, considering the evaluation thereof by the Audit Committee.
- The Board of Directors supervises the internal audit functioning, taking the Audit Committee's evaluation into account.
- The Board of Directors makes proposals to the general shareholders' meeting with respect to the appointment of the statutory auditor of the Company and monitors the performance of the statutory auditor, considering the evaluation thereof by the Audit Committee.
- The Board of Directors ensures the integrity and timely disclosure of the Company's financial statements and the other material financial and non-financial information.
- The Board of Directors ensures that the obligations of the Company vis-à-vis its shareholders are complied with, endeavors to encourage an effective dialogue with (potential)

shareholders, and is accountable to the shareholders with respect to the execution of its duties.

4.4. Operation

Number of meetings

The Board of Directors meets often enough to be able to perform its tasks efficiently, and at least four times per year.

The number of meetings of the Board of Directors and directors' individual attendance percentage to these meetings is published in the CG Statement.

The Managing Directors furnish information to the Chairman of the Board of Directors very regularly, who, in turn, informs and consults with the other directors. In this way, all directors, also the non-executive directors, are closely involved in developing and controlling the Company's policies. In addition, informal meetings are also regularly held to inform the members of the Board of Directors and to consult on the progress regarding particular matters.

Convocation

The Board of Directors is convened by the Chairman, or at the request of two directors or one Managing Director. Except in urgent cases (as determined by the Chairman), the agenda for the meeting is sent to all members of the Board of Directors one week before the meeting. As much explanation and additional information as possible is provided for each item on the agenda at least three calendar days before the meeting.

Proceedings and decision making process

The Board of Directors can meet physically, by way of telephone conference or video conference (or a combination thereof). The attendance quorum has been reached if at least half of the members of the Board of Directors are present or represented. A member of the Board of Directors can give a proxy to another director by letter, telex, fax, e-mail or in another form of writing, allowing the latter to represent him/her at the meeting of the Board of Directors.

The Chairman chairs the meetings of the Board of Directors. De vergaderingen van de Raad van Bestuur worden geleid door de Voorzitter. If the Chairman is absent, the meeting is chaired by another member of the Board of Directors, who has been appointed to do so by a majority of the votes cast by the members of the Board of Directors attending or represented at the meeting.

The Board of Directors makes decisions by a majority vote of the members present or represented. In the event of a tie, the Chairman of the Board of Directors has the deciding vote. One individual or a group of directors on the Board of Directors may not dominate the decision-making process.

Decisions of the Board of Directors can also be taken by unanimous written resolution of the directors.

Minutes

The Secretary of the Board of Directors or another person designated by the Chairman to act as such draws up the minutes of the deliberation in a meeting of the Board of Directors. The minutes summarise the deliberation, specify the decisions made and mention any reservations made by the directors. The names of the persons intervening are only included at their explicit request. The Board of Directors approves the minutes and are signed by the Chairman and the directors that wish to do so.

4.5. Secretary of the Board of Directors

The Board of Directors appoints a secretary that need not be a director of the Company (“**Secretary**”). The Secretary of the Board of Directors assists the Chairman in organising meetings of the Board of Directors and its committees (preparation, reporting, information, draft of the minutes, etc.), including ensuring a good information flow within the Board of Directors and its committees and between the executive management and non-executive board members.

The Secretary advises the Board of Directors on all governance matters and regularly reports to the Board of Directors on the manner in which procedures, rules and regulations of the Board of Directors are executed and respected.

The Secretary facilitates the induction of directors and assists, where required, with the professional development of directors. The directors have individual access to the Secretary.

The Corporate Secretary can delegate his/her tasks pursuant to the Charter or parts of it to another person acting on his behalf, whom he/she has appointed following consultation with the Chairman. The code of conduct referred to in section **Error! Reference source not found.** also apply to the Secretary or a person acting on his behalf.

4.6. Chairman of the Board of Directors

Position - Appointment

The Board of Directors appoints one of its non-executive members as chairman of the Board of Directors (“**Chairman**”) on the basis of his/her knowledge, skill, experience and ability to mediate.

The position of Chairman and the positions of Managing Director may not be held by one and the same person. The division of responsibilities by the Chairman and the Managing Directors has been included clearly and in writing in this Charter.

If the Board of Directors considers nominating (one of) the previous Managing Directors as Chairman, the advantages and disadvantages of such a decision must be carefully weighed against one another and it must be stated in the CG Statement why this appointment is in the best interests of the Company.

Role and Tasks

The Chairman leads the Board of Directors and sees to the execution of other specific responsibilities he is charged with by the Board of Directors.

The Chairman engenders a climate of trust, allowing for open discussions and constructive challenge. The Chairman ensures that there is sufficient time for consideration and discussion before decision-making. Once decisions are taken, all board members should be supportive of their execution.

The Chairman ensures effective interaction between the Board of Directors and the executive management and establishes a close relationship with the Managing Directors. He provides support and advice, while respecting the executive responsibilities of the Managing Directors.

The Chairman's responsibilities are as follows:

- Drawing up the agenda for meetings of the Board of Directors, after having deliberated with the Managing Directors and – as the case may be - the (other) executive director(s).
- Supervising the proper conduct of procedures regarding the preparation, deliberation, approval of decisions and execution of decisions.
- Seeing to it that the directors receive timely, accurate and clear information before the meetings and, if necessary, in between meetings, whereby the Chairman ensures that all directors receive the same information, are able to knowledgeably contribute to the discussions at meetings of the Board of Directors and that there is adequate time to consider and discuss before making a decision.
- Chairing the meetings of the Board of Directors and thereby ensuring that the Board of Directors functions and makes decisions as a collegial body.
- Monitoring execution of the decisions made and determining whether it is necessary to hold further deliberations within the Board of Directors regarding such execution.
- Steering the nomination process for directors, in deliberation with the Remuneration and Nomination Committee and ensuring - before considering the candidate - that the Board of Directors has sufficient information on the candidate available, such as the CV, evaluation of the candidate as based on the first interview, a list of positions that the candidate already holds and any information that is required to evaluate the independence of the candidate.
- Ensuring that the new members of the Board of Directors are given proper initial training so that they can quickly contribute to the Board of Directors.
- Steering the different periodic evaluation procedures of the Board of Directors and its committees.
- Ensuring that the Board of Directors appoints members and the chairmen of the Audit Committee and of the Remuneration and Nomination Committee.
- Being at the disposal of the directors, members of the executive management and the head of the internal audit office (as relevant) to discuss matters concerning management of the Company.
- Leading the general meeting and taking the necessary measures to ensure that each relevant question by the shareholders is answered.
- Ensuring effective communication with shareholders and ensuring that board members develop and maintain an understanding of the views of the shareholders and other significant stakeholders.

4.7. Professional development

Induction – Professional development

Newly appointed directors receive an appropriate induction following their appointment to the Board of Directors. The aim of the induction process is to advise the new directors on their rights and obligations as a director; it helps them to gain insight into the fundamental properties of the Company, including its strategy, values, management, business challenges, main policies, finances, as well as its risk and internal audit systems.

For newly appointed non-executive directors the induction process will also include the following:

- a formal meeting with the Chairman;
- a formal meeting with the Managing Directors in which at least the strategy of the Group is highlighted, as well as the main challenges of the Group in the long and short term;
- a formal meeting with the Secretary in which the main features of the Charter and other relevant legislation are discussed as well as certain important features with respect to the directors' and officers' liability policy.

Each director is individually responsible for maintaining and developing the knowledge and skills of which he/she must have to be able to hold his/her position on the Board of Directors.

Request for Advice

Each director can formulate a proposal to have an external expert do research on a certain matter or subject or gather independent professional advice on this at the Company's expense. The Board of Directors decides on the desirability of such assignments.

If the Board of Directors gives its approval, it determines the exact scope and conditions of the assignment. The Board of Directors also indicates on the external expert(s) to whom the assignment will be allocated.

Evaluation

With a view to continuously improving corporate management, the Board of Directors is responsible for periodically evaluating its own effectiveness. For this purpose and under the leadership of its Chairman, the Board of Directors makes an evaluation of its size, composition, operation, performance and interaction with the executive management at least every three years. This evaluation has four objectives:

- To evaluate the operation of the Board of Directors.
- To check whether important subjects are thoroughly prepared and discussed.
- To evaluate each director's actual contribution, attendance and constructive involvement in the discussions and decision-making processes.
- To evaluate the current composition of the Board of Directors in light of the composition required.

In addition, each director's contribution is periodically evaluated to be able to adapt the composition of the Board of Directors.

On the basis of the results of the evaluation, the Board of Directors acts by distinguishing its strengths and tackling its weaknesses. Where appropriate, this means that new members are nominated for appointment, that there is a proposal not to reappoint current members or that measures facilitating efficient operation of the Board of Directors are taken.

The non-executive directors evaluate their interaction with the executive management every year. For this purpose, they have a meeting at least once a year, which the Managing Directors and the (other) members of the executive management do not attend. If applicable, they make proposals to the Chairman to improve such interaction.

4.8. Remuneration

As concerns the remuneration of the members of the Board of Directors, the Remuneration and Nomination Committee submits proposals on individual remuneration – as the case may be in accordance with the remuneration policy approved by the general shareholders' meeting (see section **Error! Reference source not found.**) to the Board of Directors. The - Voor wat betreft de remuneratie van de leden van de Raad van Bestuur, doet het Remuneratie- en Benoemingscomité voorstellen aan de Raad van Bestuur inzake de individuele remuneratie – desgevallend conform het door de algemene vergadering goedgekeurde remuneratiebeleid (zie punt **Error! Reference source not found.**). The power to make decisions on directors' individual remuneration lies with the general shareholders' meeting.

4.9. Code of conduct

Each member of the Company's Board of Directors is expected to hold his/her office of director in an honest, ethical and responsible manner. In the first place, all directors bear the corporate interest in mind and base their decisions on independent judgement.

Each member of the Company's Board of Directors is expected to be fully committed to meeting his/her responsibilities. All directors ensure that they receive detailed and accurate information which they study thoroughly so that they adequately master the main aspects of the corporate activity. They request an explanation whenever they feel this is necessary.

The directors provide all information that is at their disposal and that may be of relevance to the decision making within the Board of Directors, to the Board of Directors. In case this relates to confidential or sensitive information, the directors should consult the Chairman.

Directors may use information that they have at their disposal in their capacity as director only within the context of their mandate and must carefully deal with the confidential information that they have received in their capacity as director. A director cannot use the aforementioned information for personal use.

Each member of the Board of Directors of the Company undertakes, both during his/her membership on the Board of Directors and thereafter, not to disclose to any person in any manner confidential data regarding the Company or companies in which it is an interested party, which data has come to the member's knowledge within the context of performing his/her work for the Company and of which

he/she knows, or should know, that this is confidential, unless he/she is obliged by law to communicate this.

A member of the Board of Directors is, however, permitted to disclose data as intended above to staff members or advisors of the Company and the companies in which the Company has an interest who, in light of their work, must be informed of the relevant information.

Each member of the Board of Directors undertakes not to generate activities or perform acts that compete with the activities of the Company or its subsidiaries, either directly or indirectly, for the entire course of his/her office in any capacity whatsoever.

In this respect, each member of the Board of Directors refrains from, among others, the following:

- any attempt to encourage a staff member of the Company or its subsidiaries to terminate his/her work for the Company or its subsidiaries.
- any attempt to encourage a customer, supplier, agent, distributor or any other contracting party of the Company or its subsidiaries to terminate his, her or its contractual relationship with the Company or its subsidiaries, or to amend the terms and conditions (of such relationship) to the detriment of the Company or its subsidiaries.

Each member of the Company's Board of Directors complies with the policy on transactions and other contractual ties between the Company and its directors and executive management (see section 8), as well as the rules with respect to ethical behavior (see section **Error! Reference source not found.**) and the rules on the prevention of market abuse (see section **Error! Reference source not found.**).

5. INTERNAL REGULATIONS OF THE AUDIT COMMITTEE

5.1. Introduction

The composition and operating of the Audit Committee are governed by article 7:99 CCA, the following internal regulations, as well as by relevant parts of the Company's articles of association.

5.2. Composition

The Board of Directors ensures that the Audit Committee, as a whole, has a balanced composition and has the necessary independence, skills, knowledge, experience and capacity to execute its duties effectively. The Audit Committee is composed of at least three non-executive directors, of which at least one is an independent director.

The members of the Audit Committee are appointed by the Board of Directors, which can dismiss them at any point in time. The term of office of a member of the Audit Committee cannot exceed his/her term as member of the Board of Directors.

The chairman of the Audit Committee is appointed by the Board of Directors. The Chairman does not chair the Audit Committee. The Chairman does, however, have a standing invitation to take part in the Audit Committee meetings.

A list of the members of the Audit Committee is published in the CG Statement, including, as the case may be, further formation on the capacity, experience, skills or expertise required for one or more of its members.

5.3. Powers

The Audit Committee assists the Board of Directors in fulfilling its monitoring responsibilities in respect of control in the broadest sense, including risks. The Audit Committee has the power and duty to use the means required to perform its duties.

The Audit Committee makes recommendations to the Board of Directors. The Board of Directors, however, retains the authority to make decisions.

The Audit Committee reports to the Board of Directors and is accountable to the Board of Directors on exercising its powers and performing its obligations.

Without prejudice to the assignments the Board of Directors is charged with by law, the Audit Committee has the following tasks with respect to financial reporting, internal control and risk management, and external audit.

Financial reporting process

It is the task of the Audit Committee to monitor the financial reporting process and to make recommendations or proposals to safeguard the integrity of this process, and in particular:

- evaluation and approval of the (consolidated) annual financial statement and half-year financial statements before they are published;
- supervision of the accuracy, comprehensiveness and consistency of the internal and external financial reporting;
- evaluation of the consistent application of accounting principles and changes thereto;
- discussion with management and the statutory auditor on important issues regarding financial reporting;
- monitoring the statutory auditing of the annual financial statements and consolidated financial statements, which includes monitoring the questions and recommendations formulated by the statutory auditor responsible for the statutory audit of the consolidated annual financial statements;
- informing the Board of Directors of the results of the statutory audit of the annual financial statements and consolidated financial statements, and explaining how the statutory audit of these financial statements has contributed to the integrity of the financial reporting, and what role the Audit Committee played in that process.

Internal control and risk management

It is the task of the Audit Committee to monitor the effectiveness of the Company's systems for internal control and risk management, and in particular:

- at least on annual basis, monitoring the internal control and risk management systems put in place by the executive management and approved by Board of Directors in the Company and its subsidiaries to ensure that the most important risks are properly identified, managed and notified;
- examining the reports regarding internal control and risk management to be included in the CG Statement and the statement on corporate governance;
- reviewing and evaluating arrangements put in place enabling staff to express their concerns in confidence on potential irregularities with respect to financial reporting or other matters. If deemed necessary, arrangements will be made for the proportionate and independent investigation of such matters and for the appropriate follow-up actions;
- if an internal audit function is established within the Company, monitoring the internal audit function and its effectiveness.

External Audit

- recommendations by the Board of Directors on selecting the auditor for (re)appointment and the terms and conditions for his/her appointment. The Audit Committee's proposal to appoint/reappoint the auditor is put on the agenda of the general shareholders' meeting. The Audit Committee examines the issues leading to the statutory auditor's resignation and makes recommendations on all actions required in this regard;
- taking note and discussing the statutory auditor's work schedule, all issues arising from the audit and the statutory auditor's report;
- evaluating the effectiveness of the external audit;
- monitoring management's responsiveness to the findings and recommendations made by the statutory auditor (as, among others, included in the management letter).

Independence of the statutory auditor

The Audit Committee is responsible for assessing and monitoring the independence of the statutory auditor, and in particular, verifying whether the provision of additional services to the company is appropriate. More specifically, the Audit Committee, together with the statutory auditor, monitors and analyses the threats to his independence and the security measures that have been taken to mitigate these threats, if the total fees paid are higher than what is provided by the criteria laid down in Article 4(3) of Regulation (EU) No. 537/2014.

The Audit Committee presents a policy plan to the Board of Directors, providing for additional services:

- that are excluded;
- that are permitted following evaluation by the Audit Committee, and
- that are permitted without referring them to the Audit Committee, considering the particular requirements included in the CCA.

5.4. Operation

Meetings

The Audit Committee holds meetings as often as this is necessary for the proper functioning of the Audit Committee, and at least four times a year. The meetings are scheduled in advance every year, when possible, and take place before a meeting of the Board of Directors, if possible. The Audit Committee in any event holds meetings before the external communication of the Company's annual and half-yearly financial statement.

In principle, the meetings of the Audit Committee are convened by the secretary of the Audit Committee, in consultation with the chairman of the Audit Committee. However, any member of the Audit Committee can convene a meeting of the Audit Committee. If all members are present, the Audit Committee can deliberate validly and it is deemed to be validly convened.

Except in urgent cases (as determined by the chairman of the Audit Committee), the agenda for the meeting is sent to all members of the Audit Committee one week before the meeting. As much explanation and additional information as possible is provided for each item on the agenda at least three calendar days before the meeting. With the permission of the chairman, a meeting can take place by telephone or video conference.

The attendance quorum is reached if at least half of the members of the Audit Committee are present. The Audit Committee makes decisions by a majority vote of the members. In the event of a tie, the chairman of the Audit Committee has the deciding vote.

The Audit Committee holds a meeting with the statutory auditor and internal auditor at least twice a year to deliberate with them on matters regarding its internal regulations, all matters emanating from the audit - and, in particular, material weaknesses of the internal audit - and any matters within the Audit Committee's powers.

The statutory auditor and internal auditor have direct and unrestricted access to the chairman the Board of Directors and the chairman of the Audit Committee. They can also personally request the chairman of the Audit Committee to attend an Audit Committee meeting.

The Audit Committee can, if it so chooses, invite non-members to attend its meetings. In particular, the Audit Committee can invite the Managing Directors and other members of the executive management, the statutory auditor, the internal auditor and, where appropriate, any other manager of the Company and its external legal or financial advisors to attend a meeting. The Audit Committee can also speak to any relevant person without a member of management being present.

An activity report of the meetings of the Audit Committee, including the number of meetings of the Audit Committee and the individual attendance rate of each of its members is published in the CG Statement.

Reporting to the Board of Directors and the shareholders

The secretary of the Audit Committee, or another person whom the chairman of the meeting has appointed as such, draws up the minutes of each meeting of the Audit Committee, which are signed by the chairman and the members of the Audit Committee that wish to do so. All members of the Board of Directors receive a copy of the Audit Committee's minutes.

In principle, a report on the Audit Committee's meeting and on the performance of its tasks is made to the following meeting of the Board of Directors, and in any event at least when the Board of Directors draws up the annual accounts, consolidated annual accounts and, where appropriate, the abridged financial summaries drawn up for publication.

The Audit Committee informs the Board of Directors on all matters regarding which the Audit Committee is of the opinion that something must be undertaken or that it is recommended that there be an improvement. Where appropriate, the Audit Committee makes recommendations regarding the steps to be taken.

During the Company's annual general meeting, the chairman of the Audit Committee (or, if the chairman is absent, another member of the Audit Committee) answers any questions the shareholders may have regarding the Audit Committee's activities.

5.5. Training and Professional Development

Training and Professional Development

The members of the Audit Committee should have sufficient relevant expertise, especially regarding accounting, auditing and financial matters, to effectively hold their position. At least one independent member is experienced in the field of accounting and auditing. The annual report contains a justification of the independence and expertise in the field of accounting and auditing of at least one member of the Audit Committee.

The chairman of the Audit Committee ensures that the members have all the information and necessary support available to perform their tasks properly in accordance with these internal regulations.

The Chairman of the Board of Directors ensures that every director who becomes a member of the Audit Committee receives suitable induction. Such induction entails setting out the particular role and

tasks of the Audit Committee, its internal regulations, a summary of the organisation of the Company's internal audit and risk management systems, and all other information related to the Audit Committee's particular role. More specifically, every new member must be fully informed of the particular operational, financial, accounting and auditing properties of the Company. A meeting with the statutory auditor and the Company's relevant staff also forms part of the induction.

Every member of the Audit Committee must refine his/her skills and knowledge on the Company to be able to fulfil his/her role.

Request for advice

After the Chairman of the Board of Directors has been informed of this, the Audit Committee has the opportunity to seek advice from (an) external advisor(s) on subjects and matters falling within its competence, at the Company's expense.

Evaluations

At least every three years, the Audit Committee tests and evaluates the sufficiency of its internal regulations and its own effectiveness, reports on this to the Board of Directors and, if necessary, proposes that changes be made to it.

Under the leadership of the Chairman, the Board of Directors evaluates the size, composition, presence of particular capacity or competence requirements and the performance of the Audit Committee at least every three years.

This evaluation process has four objectives:

- to evaluate how the Audit Committee works;
- to check whether important subjects are thoroughly prepared and discussed;
- evaluate the actual contribution of every member of the Audit Committee, his/her attendance at the Audit Committee meetings and his/her constructive involvement in the discussions and decision-making processes; and
- bringing the current composition of the Audit Committee in line with the desired composition.

6. INTERNAL REGULATIONS OF THE REMUNERATION AND NOMINATION COMMITTEE

6.1. Introduction

The composition and operating of the Remuneration and Nomination Committee are governed by article 7:100 CCA, the following internal regulations, as well as by relevant parts of the Company's articles of association.

6.2. Composition

The Board of Directors ensures that the Remuneration and Nomination Committee, as a whole, has a balanced composition and has the necessary independence, skills, knowledge, experience and capacity to execute its duties effectively. The Remuneration and Nomination Committee is composed of at least three directors, whereby all members are non-executive directors, of which at least the majority are also independent directors.

The members of the Remuneration and Nomination Committee are appointed by the Board of Directors, which can dismiss them at any point in time. The term of office of a member of the Remuneration and Nomination Committee cannot exceed his/her term as member of the Board of Directors.

In principle, the Remuneration and Nomination Committee is chaired by the Chairman. The Chairman, however, does not chair the Remuneration and Nomination Committee when determining the Chairman's successor.

A list of the members of the Remuneration and Nomination Committee is published in the CG Statement, including, as the case may be, further formation on the capacity, experience, skills or expertise required for one or more of its members.

6.3. Powers

The Remuneration and Nomination Committee makes proposals and recommendations to the Board of Directors regarding the appointment and remuneration policy, individual remuneration and appointment of directors, Managing Directors and the other members of the executive management. In addition, the Remuneration and Nomination Committee makes proposals to the Board of Directors on the annual review of the executive management's performance and on the realization of the Company's strategy against agreed performance measures and targets.

As the case may be, the Board of Directors makes proposals to the general shareholders' meeting on these matters. The decision-making power on the appointment and individual remuneration for directors - and, where appropriate the approval or rejection of certain severance payments for the Managing Directors and the other members of the executive management or of certain variable payments to independent directors - lies with the general shareholders' meeting.

Tasks with respect to Remuneration

The Remuneration and Nomination Committee has the following tasks (as mandated by law) regarding remuneration:

- Drawing up proposals to the Board of Directors regarding the remuneration policy for directors, for the managing directors and the other members of the executive management and evaluating the resulting proposals that the Board of Directors must submit to the general shareholders' meeting.
- Formulating proposals to the Board of Directors regarding the individual remuneration for the directors and the members of the executive management, including variable remuneration, long-term performance incentives, whether or not related to shares, in the form of share options or financial instruments, and severance payments, where appropriate, and regarding the resulting proposals that the Board of Directors must submit to the general shareholders' meeting.
- Preparing the remuneration report that is incorporated by the Board of Directors into the CG Statement and the statement on corporate governance.
- Commenting on the remuneration report during the annual general meeting of shareholders.
- Advising the Board of Directors on whether or not to conclude contracts to appoint members of the executive management and/or, where appropriate, granting severance pay that exceeds 12 months base and variable remuneration (limited to maximum 18 months base and variable remuneration).

Tasks with respect to Nomination

The Remuneration and Nomination Committee has the following tasks when appointing directors and members of the executive management:

- Developing appointment procedures for members of the Board of Directors and the executive management.
- The Remuneration and Nomination Committee leads the (re)appointment process of the members of the Board of Directors and the executive management and ensures that the process runs objectively and professionally.
- Drawing up selection criteria for directors, whereby particular rules can apply for executive and non-executive directors, if necessary.
- Formulating recommendations and proposals regarding the appointment/reappointment of candidate directors and candidate members of the executive management to the Board of Directors, that as the case may be, in turn, makes proposals to the general shareholders' meeting.
- Analysing all aspects regarding succession of directors and executive managers. The Committee prepares plans for an orderly succession in this respect.
- Ensuring that appropriate talent development programs and programs to promote diversity in leadership are in place.
- Considering and advising on proposals (including from the management or the shareholders) regarding the appointment and dismissal of members of the Board of Directors and the executive management.
- Advising the Managing Directors on the proposal that they have submitted regarding the appointment and dismissal of members of the Board of Directors and the executive

management, and especially when it discusses matters related to executive directors or members of the executive management.

6.4. Operation

Meetings

The Remuneration and Nomination Committee holds meetings as often as this is necessary for the proper functioning of the Remuneration and Nomination Committee, and at least two times a year. The meetings are scheduled in advance every year, when possible, and take place before a meeting of the Board of Directors, if possible.

In principle, the meetings of the Remuneration and Nomination Committee are convened by the secretary of the Remuneration and Nomination Committee, in consultation with the chairman of the Remuneration and Nomination Committee. However, any member of the Remuneration and Nomination Committee can convene a meeting of the Remuneration and Nomination Committee. If all members are present, the Remuneration and Nomination Committee can deliberate validly and it is deemed to be validly convened.

Except in urgent cases (as determined by the chairman of the Remuneration and Nomination Committee), the agenda for the meeting is sent to all members of the Remuneration and Nomination Committee one week before the meeting. As much explanation and additional information as possible is provided for each item on the agenda at least three calendar days before the meeting. With the permission of the chairman, a meeting can take place by telephone or video conference.

The attendance quorum is reached if at least half of the members of the Remuneration and Nomination Committee are present. The Remuneration and Nomination Committee makes decisions by a majority vote of the members. In the event of a tie, the chairman of the Nomination and Remuneration Committee has the deciding vote.

The Remuneration and Nomination Committee can, if it so chooses, invite non-members to attend its meetings. The Managing Directors participate in the meeting of the Remuneration and Nomination Committee with an advisory vote when it deals with the remuneration or appointment of the other members of the executive management. No one participates in the meeting of the Remuneration and Nomination Committee when his/her remuneration or appointment is discussed, nor is one involved in any decision regarding his/her own remuneration or appointment.

An activity report of the meetings of the Remuneration and Nomination Committee, including the number of meetings of the Remuneration and Nomination Committee and the individual attendance rate of each of its members is published in the CG Statement and the statement on corporate governance.

Reporting to the Board of Directors and the shareholders

The secretary of the Remuneration and Nomination Committee, or another person whom the Chairman of the meeting has appointed as such, draws up the minutes of each meeting of the Remuneration and Nomination Committee, which are signed by the Chairman and the members of the

Remuneration and Nomination Committee that wish to do so. All members of the Board of Directors receive a copy of the Remuneration and Nomination Committee's minutes.

In principle, a report on the Remuneration and Nomination Committee's meeting and on the performance of its tasks is made to the following meeting of the Board of Directors.

The Remuneration and Nomination Committee informs the Board of Directors on all material developments in relation to the matters for which it is responsible.

The Remuneration and Nomination Committee comments on the remuneration report that forms part of the statement on corporate governance at the annual general meeting of shareholders.

During the Company's annual general meeting, the Chairman of the Remuneration and Nomination Committee (or, if the Chairman is absent, another member of the Remuneration and Nomination Committee) answers any questions the shareholders may have regarding the Remuneration and Nomination Committee's activities.

6.5. Training and Professional Development

Training and Professional Development

The Remuneration and Nomination Committee must have the necessary expertise regarding remuneration policy.¹ The members of the Audit Committee should have sufficient relevant expertise to effectively hold their position.

The Chairman of the Remuneration and Nomination Committee ensures that the members have all the information and necessary support available to perform their tasks properly in accordance with these internal regulations. The Chairman of the Board of Directors ensures that every director who becomes a member of the Remuneration and Nomination Committee receives suitable induction. Such induction entails setting out the particular role and tasks of the Remuneration and Nomination Committee, its internal regulations, and all other information related to the Remuneration and Nomination Committee's particular role.

Every member of the Remuneration and Nomination Committee must refine his/her skills and knowledge on the Company to be able to fulfil his/her role.

¹ To achieve this, at least one and the same member must have attained a university degree and have at least 3 years' experience in personnel management or in the field of remuneration of directors and corporate executive members, in accordance with the preparatory work on this legal provision. . According to the doctrine, it can hereby be accepted that this requirement is met when one member of the Remuneration Committee has been a Managing Director for at least three years or who has a master's degree in personnel or general management. Moreover, it should be noted that the legal provision requires the Remuneration Committee to have the necessary expertise regarding remuneration policy available, whereas the preparatory work indicates that (only) one member must meet this requirement. In addition, the latter is in line with the approach that the law has regarding the required expertise of one member (always an independent director) of the Audit Committee.

Request for Advice

After the Chairman of the Board of Directors has been informed of this, the Remuneration and Nomination Committee has the opportunity to seek advice from (an) external advisor(s) on subjects and matters falling within its competence, at the Company's expense.

Evaluations

At least every three years, the Remuneration and Nomination Committee tests and evaluates the sufficiency of its internal regulations and its own effectiveness, reports on this to the Board of Directors and, if necessary, proposes that changes be made to it.

Under the leadership of the Chairman, the Board of Directors evaluates the size, composition, presence of particular capacity or competence requirements and the performance of the Remuneration and Nomination Committee at least every three years.

This evaluation process has four objectives:

- to evaluate how the Remuneration and Nomination Committee works;
- to check whether important subjects are thoroughly prepared and discussed;
- evaluate the actual contribution of every member of the Remuneration and Nomination Committee, his/her attendance at the Remuneration and Nomination Committee meetings and his/her constructive involvement in the discussions and decision-making processes; and
- bringing the current composition of the Remuneration and Nomination Committee in line with the desired composition.

7. EXECUTIVE MANAGEMENT

7.1. Introduction

The Board of Directors decides on the structure of the executive management and determines the powers and obligations with which the executive management is entrusted.

7.2. Managing Directors

In application of article 7:121 CCA the Board of Directors has delegated the daily management and certain additional powers to Didec Management BV, represented by its permanent representative Dirk De Cuyper, and Fodec Management BV, represented by its permanent representative Peter De Cuyper, each acting singly. They have the title of “Managing Director” or “co-CEO”. The Managing Directors are the main representatives of the executive management of the Company.

The daily management comprises all actions and decisions that do not extend beyond the needs of the day-to-day life of the company as well as the decisions that, due to the lesser importance they represent or their urgent nature, do not justify the intervention of the Board of Directors.

In addition, the Board of Directors has delegated the following powers to the Managing Directors, to the extent they exceed the daily management:

- the operational management of the Company;
- preparatory work in respect of decisions to be submitted to the Board of Directors of the Company, and in particular with respect to the strategy and policies of the Company;
- the implementation of decisions taken by the Board of Directors of the Company as well as the business plans and strategy as set out by the Board of Directors of the Company;
- managing the internal and external communication of the Company, including providing the Board of Directors with all information necessary in a timely fashion for the exercise of its duties;
- putting internal controls in place without prejudice to the Board’s monitoring role, based on the framework approved by the Board of Directors;
- present to the Board of Directors complete, timely, reliable and accurate financial statements in accordance with applicable accounting standards and policies of the Company;
- prepare the Company’s required disclosure of the financial statements and other material financial and non-financial;
- present the Board of Directors with a balanced and understandable assessment of the Company’s financial situation;
- be accountable to the Board of Directors for the performance of the duties of the executive management; and
- monitoring of the subsidiaries of the Company.

From time to time the Board of Directors can delegate additional powers to the Managing Directors or revoke delegations of power.

7.3. Executive Management

The Managing Directors delegate certain of their powers and responsibilities of daily management and other competences to the Chief Operations Officer (COO) and the Chief Financial Officer (CFO), that report directly to the Managing Directors. Together they constitute the executive management.

Without prejudice to the powers delegated to each member of the executive management, the COO and CFO will submit every contemplated decision that may materially impact the Company for discussion at the Executive Committee or will directly discuss it with one or both Managing Directors (as the case may be).

When composing the executive management, the necessary diversity and complementarity regarding skills and knowledge are taken into account. A list of the members of the executive management is published in the CG Statement and the statement on corporate governance.

7.4. Executive Committee

The Board of Directors has created an Executive Committee which comprises all members of the executive management of the company. As such, the Executive Committee does not have any specific formal powers, but is a forum for the COO and CFO to structurally report to the Managing Directors and for deliberation among the executive management. The Executive Committee hence allows the Managing Directors to further coordinate and direct the management of the Company. Furthermore the Executive Committee has an advising and supporting role vis-à-vis the Managing Directors, specifically with respect to the formulation of proposals to the Board of Directors and the implementing of decisions by the Board of Directors.

In principle, the Executive Committee is chaired by (one of) the Managing Directors, or if these are not able to attend, by the COO. The chairman of the Executive Committee leads the meetings of the Executive Committee.

The Executive Committee holds meetings as often as required by the Company's interest, but, in principle, at a fixed point in time every fourteen days.

The Executive Committee can, if it so chooses, invite non-members to attend its meetings.

7.5. Evaluations

The Board of Directors continuously supervises and annually evaluates the performance of the executive management and the realisation of the Company's strategy.

The Remuneration and Appointment Committee annually evaluates the contribution and the performance of the executive management and, as the case may be, formulates recommendations and proposals to the Board of Directors.

The non-executive directors evaluate their interaction with the executive management every year. For this purpose, they have a meeting at least once a year in the absence of the principal representatives of the executive management and the (other) executive directors. If applicable, they make proposals to the Chairman of the Board of Directors to improve such interaction.

Under the leadership of its Chairman, the Board of Directors makes an evaluation of its interaction with the executive management at least every three years.

No one is present at his/her own evaluation.

7.6. Remuneration

As regards remuneration of the members of the executive management, the Remuneration and Nomination Committee makes proposals to the Board of Directors on individual remuneration – as the case may be in accordance with the remuneration policy approved by the general shareholders' meeting (see section **Error! Reference source not found.**).

7.7. Code of Conduct

Each member of the executive management is expected to act in an honest, ethical and responsible manner. All members of the executive management put the Company's interest first and arrange their personal and professional matters in such a way that direct or indirect conflicts with the Company's interests are avoided.

Each member of the executive management is expected to be fully committed to carrying out his/her responsibilities. All members of the executive management not only provide accurate and detailed information, but they also thoroughly study the information that they receive. They request an explanation whenever they feel this is necessary.

Each member of the executive management undertakes, both during his/her membership of the executive management and thereafter, not to disclose to any person in any manner confidential information regarding the Company or companies in which it is an interested party, which information has come to the executive management member's knowledge within the context of performing his/her work for the Company and of which he/she knows, or should know, that this is confidential, unless he/she is obliged by law to communicate this.

A member of the Company's executive management is, however, permitted to disclose information as referred to above to staff members of the Company and the companies in which the Company has an interest who, in light of their work, must be informed of the relevant information.

A member of the Company's executive management may not put the abovementioned information to use in any manner whatsoever for his/her own benefit.

Each member of the Company's executive management undertakes not to generate activities or perform acts that compete with the activities of the Company or its subsidiaries, either directly or indirectly, for the entire course of his/her office in any capacity whatsoever.

In this respect, each member of the Company's executive management refrains from matters such as the following, among others

- any attempt to encourage a staff member of the Company or its subsidiaries to terminate his/her work for the Company or its subsidiaries;

- any attempt to encourage a customer, supplier, agent, distributor or any other contracting party of the Company or its subsidiaries to terminate his, her or its contractual relationship with the Company or its subsidiaries, or to amend the terms and conditions (of such relationship) to the detriment of the Company or its subsidiaries.

Each member of the Company's executive management complies with the policy on transactions and other contractual ties between the Company and its directors and its members of the executive management, and the rules on preventing market abuse.

8. TRANSACTIONS BETWEEN THE COMPANY AND ITS DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors has approved the following rules in respect of transactions and other contractual ties between the Company (including its affiliated companies in the meaning of the CCA) and its directors and/or members of the executive management that are not covered by the legal rules on conflicts of interest.

- A. It is expected of all members of the Board of Directors and of the executive management that they avoid actions, points of view or interests that are or create the impression that they are in conflict with the interests of the Company (and those of its affiliated companies).
- B. All direct or indirect transactions between the Company (or an affiliated company) and the members of the Board of Directors or of the executive management (or, in the case of a company, their permanent representatives) require approval by the Board of Directors. They can only be undertaken at arms' length terms and conditions. For example, the members of the Board of Directors and the executive management are not permitted to conclude agreements with the Company (or an affiliated company), directly or indirectly, that are aimed at supplying goods or providing paid services (other than within the context of their office as director or in their management position).
- C. When the members of the Board of Directors or of the executive management (or, in the case of a company, their permanent representatives) are confronted with an interest which may conflict with an interest of a decision or transaction of the Company (or an affiliated company), they must inform the Chairman of the Board of Directors of this as soon as possible. Directors and members of the executive management declare at the beginning of every meeting whether they have any conflicts of interest with respect to any of the items on the agenda.

Conflicting interests are understood to mean not only matters where there is a patrimonial interest, but also interests regarding positions or politics, for example, or interests of a family nature (to the second degree).

If article 7:96 CCA applies, the relevant director refrains from participating in the deliberations and voting. If Article 7:96 of the CCA does not apply, the existence of a possible conflict of interests is included in the minutes (but not published) and it is appropriate that the director concerned abstains from voting. If there is any conflicting interest on the part of a member of the executive management who is not a director, the existence of such possible conflicting interest is included in the minutes (but not published).

- D. An explanation on the application of this policy is published in the CG Statement. However, if a substantial conflict of interest arises the Board of Directors will carefully consider to communicate as soon as possible on the procedure applied, the key considerations and the conclusion.

9. REMUNERATION POLICY

At the date of this Charter, the Company has not yet submitted its remuneration policy for approval by the general shareholders' meeting.

Non-executive directors

In accordance with Article 22 of the Company's articles of association the mandate of the members of the Board of Directors is remunerated, unless the general shareholders' meeting decides otherwise.

With respect to the mandate of the non-executive directors, the general shareholders meeting approved on 17 May 2019 an increase of the remuneration compared to previous years – including the double remuneration for the non-executive chairman – and adjusted the remuneration in the sense that for the mandates starting on 17 May 2019 a portion of the remuneration is dependent on physical presence at the meetings of the Board of Directors.

None of the non-executive directors are eligible for remuneration in shares nor any form of performance linked remuneration such as bonuses, share-related incentive programs in the long term, nor benefits in kind or related to pension-plans.

The remuneration of the non-executive directors is regularly benchmarked with a relevant sample of listed companies which allows the company to attract directors with the relevant skills who are a fit with the Company's ambitions.

Executive directors

With respect to the mandates of the executive directors Didec Management BV, represented by its permanent representative Dirk De Cuyper, and Fodec Management BV, represented by its permanent representative Peter De Cuyper, starting on 17 May 2019 and ending on 15 May 2020 a remuneration was granted, subject to ratification by the general shareholders' meeting to be held on 15 May 2020, consisting of a fixed fee and a variable bonus component in cash subject to a cap, to be awarded depending on the effective realization of the targets (being EBITDA and profit-after-tax KPIs) set for the relevant year by the Board of Directors.

The relative importance of these components is as follows:

- for Fodec Management BV: a fixed remuneration of minimum 80.6% and a variable remuneration of maximum 19.4%;
- for Didec Management BV: a fixed remuneration of minimum 77.6% and a variable remuneration of maximum 22.4%.

Based on a recommendation by the Nomination and Remuneration Committee, the Board of Directors has decided to adjust its remuneration policy for executive directors. The Board of Directors will submit for approval a remuneration proposal that consists of (only) a fixed fee for the executive directors to the general shareholders' meeting. The fixed fee that will be proposed has been determined considering certain assumptions regarding EBITDA and profit-after-tax. In case the EBITDA and/or profit-after-tax of the Company would turn out lower than expected during the term of the mandate,

the Board of Directors has reserved the right to, following consultation with the executive directors, submit an adjusted remuneration proposal to the general shareholders' meeting.

Also following a recommendation by the Nomination and Remuneration Committee, the Board of Directors will submit for approval a proposal providing for a termination indemnity for the executive directors to the general shareholders' meeting to be held on 15 May 2020, provided that the extraordinary general shareholders' meeting decides to amend the articles of association to allow for termination indemnities. The proposed termination indemnity will however not exceed the amount of the total annual remuneration of each executive director.

The level and structure of the remuneration of the members of the executive management is such that, considering the nature and scope of individual responsibilities, qualified and experienced professionals can be attracted, retained and motivated.

When determining the remuneration, information available on the remuneration of similar (listed) positions in other Belgian and foreign companies, as well as the concrete duties within the Company, are considered.

Executive management and Executive Committee

The remuneration policy and the individual remuneration of the members of the executive management and the Executive Committee, including the executive directors in their capacity as member of the Executive Committee/ main representatives of the executive management, are proposed by the Remuneration and Nomination Committee and subsequently approved by either the Board of Directors of the Company or submitted by the Board of Directors to the general shareholders' meeting for approval.

The level and structure of the remuneration of the members of the executive management are such that, considering the nature and scope of individual responsibilities, qualified and experienced professionals can be attracted, retained and motivated.

When determining the remuneration, information available on the remuneration of similar positions in other Belgian companies, as well as the concrete duties within the Company, are considered.

Remuneration of Didec Management BV and Fodec Management BV

The Board of Directors has decided to, aside from the remuneration that Didec Management BV, represented by its permanent representative Dirk De Cuyper, and Fodec Management BV represented by its permanent representative Peter De Cuyper receive for the exercise of their mandate as executive director, not grant any additional remuneration for the exercise of the daily management and the membership of the Executive Committee.

Remuneration of the other members of the executive management

The remuneration package for the other members of the executive management consists of a fixed remuneration and a number of common benefits in kind and representation allowances. Only Marcel van de Sande is eligible for variable remuneration in cash up to maximum 20% of the fixed annual

remuneration awarded to him. With respect to financial year 2020 the award of the annual bonus is subject to the realization of certain EBITDA and free cash flow KPIs as well as certain individual KPIs.

For all members of the executive management that are not directors an additional pension plan is provided, based on a defined contribution. The management of the pension plan is entrusted to an insurance company.

None of the members of the executive management were granted any rights to any performance related remuneration in the form of shares, options or other rights to acquire shares.

Evaluation of the remuneration policy

Considering the relevant trends regarding legislation and Corporate Governance, and in particular the provisions of the Corporate Governance Code 2020 and the transposition of Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017 into Belgian law, the company will continue to re-assess its remuneration policy and will adjust it where required.

10. CODES OF CONDUCT

10.1. Dealing Code to prevent Market Abuse

In order to prevent market abuse (insider dealing, unlawful disclosure of inside information and market manipulation), the board of directors has adopted a “Dealing Code to prevent market abuse”. This document can be consulted on the [website](http://www.resilux.com) van de Vennootschap (www.resilux.com).

10.2. Code of Conduct regarding Ethical Behaviour and Compliance with Laws

The Company has issued and implemented certain codes of conduct for all employees and self-employed service providers of the Group to promote ethical behaviour. These codes contain guidelines with respect to, among others, the following:

- Company’s ethics and compliance with laws;
- Prohibition of bribery, fraud and misuse of Company assets;
- Conflicts of interest and hospitality policy;
- Fair competition, confidentiality of information and conflicts of interest; and
- Employment relationships (prohibition on child and forced labour, equal opportunity employment and inappropriate behaviour).

10.3. Whistleblower Procedure

The Company has implemented the whistleblower procedure below to provide each employee and each self-employed service provider of the Group with the opportunity to report (alleged) fraud, non-compliance with laws or policies applicable to the Group or other unethical behaviour, without having to fear repercussions or intimidation.

Employees and self-employed service providers of the Group are encouraged to report (suspicions of) fraud, non-compliance with laws or policies applicable to the Group or other unethical behavior to their direct supervisor. Should the employees or self-employed service provider deem this not to be feasible or appropriate, he or she is kindly requested to report his concerns to (one of) the Managing Directors, the COO or the Compliance Officer at the following address:

Resilux NV
[Managing Director/COO/Compliance Officer]
Damstraat 4
9230 Wetteren

Should the employees or self-employed service provider deem reporting to the management not to be feasible or appropriate, he or she is kindly requested to report his concerns to the chairman of the Audit Committee at the following address:

Resilux NV
chairman Audit Committee
Damstraat 4
9230 Wetteren

The person making a report should mark the letter as “strictly confidential” and can choose to report on an anonymous basis. The Company will endeavor to keep the identity of the reporting person confidential, in as far as legally possible. It should be noted however that retaining anonymity can in certain instances render the further investigation more difficult. The report addressed to management or the chairman of the Audit Committee should clearly state that it relates to a report in the context of the whistleblower procedure.

Each report (except for reports that are manifestly without merit or have manifestly been made in bad faith) will be reviewed in detail. The reporting person – in as far as identified – will be informed of the actions undertaken. The Company will prepare a report on the basis of the steps taken addressed to the Audit Committee. The Audit Committee will subsequently decide – on advice of the Company – on appropriate conclusions and measures.

The Company believes it is very important that concerns regarding (suspected) fraud, non-compliance with laws or policies applicable to the Group or other unethical behaviour can be voiced without fear for repercussions or intimidation (through this procedure or otherwise). The Company will act appropriately should any repercussions or intimidations have occurred nonetheless vis-à-vis a reporting person.

11. MISCELLANEOUS

11.1. Amendments and Deviations

The Board of Directors can amend this Charter from time to time and without prior notice.

The Board of Directors can also decide to deviate from certain specific provisions of this Charter, considering however applicable regulations and subject to reporting such deviations in the CG Statement in the annual financial report and in the statement on corporate governance included in the annual report.

11.2. Precedence

If there is a conflict between a provision of this Charter and a (more stringent) legal or statutory provision, the legal or statutory provision takes precedence.

11.3. Applicable Law

This Charter is governed by Belgian law.

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