

# **NYXOAH SA**

## **CORPORATE GOVERNANCE CHARTER**

Approved by the Board of Directors of Nyxoah SA on 15 September 2020  
and last updated on 25 June 2021 to be effective as of 2 July 2021

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## 1 INTRODUCTION

This corporate governance charter (the "**Charter**") has been prepared by Nyxoah SA (the "**Company**") in accordance with the Belgian Code on Corporate Governance published by the Belgian Corporate Governance Committee on 9 May 2019 (the "**2020 Code**"). This Charter describes the main aspects of the Company's corporate governance policy, such as its governance structure, the terms of reference of its board of directors (the "**Board**") and its Board committees (each a "**Committee**"), which advise the Board in relation to specific matters, as well as other important topics such as its remuneration policy.

The aim of corporate governance rules is to ensure efficient management and effective control of the Company and its subsidiaries (the "**Subsidiaries**" and together with the Company, the "**Group**"). The Board is of the opinion that a clear corporate governance charter will contribute to the long-term creation of value and to a proper balance between all its stakeholders.

Pursuant to Article 3:6 §2 1° of the Belgian Code for Companies and Associations (the "**CCA**") and the Royal Decree of 12 May 2019 on the 2020 Code, the 2020 Code is the code of best practice applying to listed companies on a non-binding basis ("comply or explain" approach) the Company must apply the 2020 Code, and is committed to following the ten (10) corporate governance principles listed in the 2020 Code.

Nevertheless, the Board is of the opinion that the Company can justify its deviation to certain provisions of the 2020 Code, in view of the activities of the Company, its size and the specific circumstances in which it operates. In such cases, the Company applies the "comply or explain" principle. Any compliance exceptions will thus be mentioned and explained in the corporate governance statement (the "**Corporate Governance Statement**") included in the Company's annual report.

The Board shall encourage shareholders to communicate their evaluation of the Company's corporate governance prior to the general shareholders' meeting (the "**General Shareholders' Meeting**") and at least through participation in the General Shareholders' Meeting.

In addition to compliance exceptions, the Corporate Governance Statement shall contain a remuneration report (the "**Remuneration Report**") and more factual information on its corporate governance policy, including any changes to the Company's corporate governance policy together with the relevant events that have taken place during the year under review, such as the appointment of new directors, the designation of Committee members, and the annual remuneration received by the Company's directors (the "**Directors**" and each individually, a "**Director**").

The Remuneration Report, which forms a separate part of the Corporate Governance Statement, shall comprise the information listed in Article 3:6, §3 of the CCA.

This Charter was approved by the Board during its meeting on 15 September 2020 and last updated on 21 September 2020 and will be further updated as required in the case of any changes to the Company's corporate governance policy.

This Charter is available, together with the articles of association of the Company (the "**Articles of Association**"), on the Company's website ([www.nyxoah.com](http://www.nyxoah.com)), and shall indicate the date of the most recent update.

This Charter should be read together with the Articles of Association. Titles used in this Charter are used for clarity purposes only and are not to be used for interpretation purposes. Except where the context requires otherwise, definitions and concepts referred to in the plural also relate to the singular and vice versa, words and definitions in the masculine or feminine are to be interpreted as gender neutral, and references to a law also means any amendments, replacements, extensions, etc. to such law.

## **2 STRUCTURE AND ORGANIZATION**

### **2.1 Registered office and group structure**

The Company has its registered office at Rue Edouard Belin 12, 1435 Mont-Saint-Guibert, Belgium, and is registered with the Register of Legal Entities (Walloon Brabant) under number 0817.149.675.

The Company has the following Subsidiaries:

- Nyxoah LTD, a limited liability company incorporated under the laws of Israel, having its registered office at Yigal Alon st 126, 64074 Tel Aviv, Israel;
- Nyxoah PTY LTD, a company incorporated under the laws of Australia, having its registered office at Gipps Street 58, VIC3066 Collingwood, Australia;
- Nyxoah, Inc. a company incorporated under the laws of the State of Delaware (United States), having its registered office at 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, United States.

### **2.2 Incorporation date and duration**

The Company was incorporated on 14 July 2009 by notarial deed passed before notary Jean-Philippe Lagae, published in full in the Annexes to the Belgian Official Gazette of 17 July 2009 under number 09033006.

The Company is established for an indefinite duration.

### **2.3 Legal form and applicable law**

The Company is a limited liability company (*société anonyme/naamloze vennootschap*) organized and existing under the laws of Belgium. It is a listed company of which the shares are admitted to trading on a regulated market within the meaning of Article 1:11 of the CCA (*société cotée/genoteerde vennootschap*).

### **2.4 Listing**

The Company's shares are listed on (i) the regulated market of Euronext Brussels since 18 September 2020 under the ticker "NYXH" and (ii) the Nasdaq Global Market since 2 July 2021 under the ticker "NYXH".

### **2.5 Main governance structure**

The Company has opted for a one-tier governance structure (*administration moniste/monistisch stelsel*). As stated in Article 7:93 of the CCA, the Board is the ultimate decision-making body in the Company, except

with respect to those areas that are reserved to the shareholders' meeting by law or by the Articles of Association.

The Board's terms of reference, including its responsibilities, duties, composition and operation are listed hereafter in Chapter 4 of this Charter.

The responsibilities of the chairperson of the Board (the "**Chair of the Board**") are listed in Chapter 5 of this Charter.

Furthermore, the Board appointed a secretary (the "**Company Secretary**") whose responsibilities are listed in Chapter 6 of this Charter.

The terms of reference of the Company's executive management (the "**Executive Management**") are listed in Chapter 7 of this Charter, composed of the Company's chief executive officer (the "**CEO**"), to whom the Company's day-to-day management within the meaning of Article 7:121 of the CCA has been delegated and other officers appointed by the Board (the "**Other Executives**" and together with the CEO, the "**Executives**", and each individually, an "**Executive**"). Each of the Executives has or may be made individually responsible for certain aspects of the day-to-day management of the Company and its business (in the case of the CEO, by way of delegation by the Board; in the case of the Other Executives, by way of delegation by the CEO).

By decision of the Board, a person (who need not be a Director) may be given specific powers to act on behalf of the Company.

The Board has also established an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**"), a nomination committee (the "**Nomination Committee**") and a science & technology committee (the "**Science & Technology Committee**"), and may establish additional committees, which merely have an advisory function (each committee established by the Board is also referred to as a "**Committee**"). They assist the Board with specific tasks and make recommendations, it being understood that the final decision-making power remains with the Board. The terms of reference of the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Science & Technology Committee including their responsibilities, duties, composition and operation, are set out in Chapter 8, Chapter 9, Chapter 10 and Chapter 11 of this Charter, respectively.

## **2.6 E-mail address**

Pursuant to and within the limits of article 2:31 of the Code of companies and associations, the Company can be contacted at the following e-mail address: [corporate@nyxoah.com](mailto:corporate@nyxoah.com).

## **2.7 Website**

The Company's website is: [www.nyxoah.com](http://www.nyxoah.com).

The Board ensures that all information that the Company is obliged to publish by law (including the CCA) and this Charter are posted on and updated in a clearly recognizable part of the Company's website, separate from the commercial information.

### **3 SHAREHOLDING STRUCTURE**

#### **3.1 Overview shares and other securities**

The detailed number of the Company's currently outstanding shares and securities that are convertible or exercisable into shares and the amount of the Company's issued and paid-up capital is available on the Company's website.

#### **3.2 Form of the shares**

The shares of the Company can be held as either registered shares or dematerialized shares, at the discretion of shareholders. All shares are ordinary shares and confer equal (voting) rights upon all shareholders.

For registered shares, the names and addresses of all shareholders or holders of a right of usufruct or pledge are recorded in the shareholder register. On request and at their expense, holders of registered shares will be provided with an extract from the share register.

Shareholders may request, at any time, to have their registered shares converted into dematerialised shares, and vice versa, at their own expense.

#### **3.3 Transferability of the shares**

The Company's shares are freely transferable. This is without prejudice to certain restrictions that may apply pursuant to any applicable legislation, in particular securities laws, including the applicable securities laws of the United States.

In addition, the Company is aware of several contractual transfer restrictions, which limit the number of shares available for sale in the public market following the admission to listing and trading of the Company's shares on the regulated market of Euronext Brussels. These restrictions are set out in the prospectus with respect to the initial public offering of the Company, which is available on the Company's website.

#### **3.4 Currency of the shares**

The Company's shares do not have a nominal value, but each reflect an equal fraction of the Company's share capital, which is denominated in euro.

#### **3.5 Major shareholders**

Pursuant to the Belgian Act of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and miscellaneous provisions (the "**2007 Act**"), a notification to the Company and to the FSMA is required by all natural persons and legal entities (i.e., legal persons, enterprises without legal personality, or trusts) in the following circumstances (non-exhaustive list):

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;



- the reaching of a threshold by natural persons or legal entities acting in concert;
- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold.
- the passive reaching of a threshold;
- the holding of voting securities in the Company upon first admission thereof to trading on a regulated market;
- where a previous notification concerning the financial instruments treated as equivalent to voting securities is updated;
- the acquisition or disposal of the control of an entity that holds voting securities in the Company; and
- where the Company introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on in increments of 5% or, as the case may be, the additional thresholds provided in the Articles of Association. The Company has provided for additional threshold of 3% in its Articles of Association.

The latter notification must be made promptly and at the latest within four (4) trading days following the moment on which the person who is subject to the notification obligation received knowledge or could be deemed to have received knowledge of the acquisition or disposal of the voting rights triggering the reaching of legal threshold pursuant to the 2007 Act, or any of the thresholds pursuant to the Articles of Associations. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three (3) trading days following receipt thereof.

The forms on which such notifications must be made, as well as further explanations and guidelines, are available on the website of the FSMA ([www.fsma.be](http://www.fsma.be)). A violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative sanctions.

The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Company's securities, and must mention these notifications in the notes to its financial statements. A list as well as a copy of such notifications will be accessible on the Company's website.

### **3.6 Authorized capital**

The General Shareholders' Meeting of 7 September 2020 has granted to the Board the authority to increase the Company's share capital, on one or several occasions in accordance with the CCA by a maximum aggregate amount of three million six hundred eighty thousand two hundred ninety seven euro and thirty nine cents (EUR 3.680.297,39) (the "**Authorized Capital**"). The conditions for the Authorized Capital are provided in Article 7 of the Articles of Association.

This authorisation is valid for a period of five years as from the date of publication in the Annexes to the Belgian State Gazette of an extract of the minutes of the General Shareholders' Meeting held on 7 September 2020.

### **3.7 Agreements between the Company's shareholders to act in concert**

The Company is not aware of any shareholders' agreements between its shareholders or shareholders' agreeing to act in concert following the Company's initial public offering.

## **4 THE BOARD**

These terms of reference, implementing the principles and policies to be observed by the Board, have been adopted by the Board to clarify its role and responsibilities. They come in addition to and are not intended to change or interpret any law or regulation or the Articles of Association. The Board will revise these terms of reference as required from time to time to adapt these to its evolving needs.

### **4.1 Role, responsibilities and authority**

#### **4.1.1 Role**

As provided by Article 7:93 of the CCA, the Company is headed by the Board, acting as a collegiate body. No individual or group dominates the Board's decision-making. The Board's role is to pursue the long term success of the Company by providing effective, responsible and ethical leadership, enabling risks to be assessed and managed and monitoring the Company's performance. It decides on the Company's values and strategy, its risk appetite and key policies.

The Board ensures that the Company's culture is supportive of the realisation of its strategy and that it promotes responsible and ethical behaviour.

The Board approves a framework of internal control and risk management proposed by the Executive Management and review the implementation of this framework.

In order to effectively pursue such sustainable value creation, the Board develops an inclusive approach that balances the legitimate interests and expectations of all its stakeholders. The latter includes, but is not limited, the Company's partners, shareholders and employees as well as the community and the environment in which the Company operates.

#### **4.1.2 Responsibilities**

The Company has opted for a "one-tier" governance structure (*administration moniste/monistisch bestuur*).

As provided for by Article 7:93 of the CCA, the Board is the ultimate decision-making body in the Company, except with respect to those areas that are reserved by law or by the Articles of Association to the General Shareholders' Meeting.

The key responsibilities of the Board include:

- reviewing, evaluating and deciding, on a regular basis, on the strategic objectives and the general policy plan of the Company, its readiness to take risks, its values and the policy guidelines with regard to the primary functional areas of the Company;

- reviewing, evaluating and approving the Company's budget and forecasts;
- reviewing, evaluating and approving major resource allocation and capital investments;
- ensuring that the necessary leadership and the necessary financial and human resources are in place so that the Company can achieve its objectives;
- reviewing the financial and operating results of the Company;
- monitoring and evaluating the performance of the Company against its strategic goals, plans and budgets;
- choosing the structure of the Executive Management, and supervising and evaluating the performance of the Executive Management and reviewing the realisation of the Company's strategy;
- approving and reviewing the Company's medium and long-term strategy;
- appointing and dismissing the CEO and the Other Executives (after consultation with the CEO), and the Company Secretary and satisfy that there is a succession plan in place;
- determining the power and responsibilities of the CEO, in a clear manner and in writing;
- approving assignment of business to the respective executives;
- appointing and dismissing members of the Committees;
- monitoring and reviewing the effectiveness of the Committees;
- supporting the Executive Management in the fulfilment of their duties;
- being prepared to constructively challenge the Executive Management whenever appropriate;
- giving advice, also outside of Board meeting;
- maintaining continuing interaction and dialogue and a climate of respect, trust and candour with the Executive Management;
- reviewing and evaluating the compensation strategy as it relates to the Executives, including, any incentive schemes for the benefit of Executives;
- being responsible for the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information;
- nominating the statutory auditor and supervising its work;
- supervising the internal audit function;
- deciding on disposals or transfers of any substantial part of the Company's assets or any major corporate restructuring or transaction;
- approving the framework of internal control and risk management and reviewing the implementation of this framework;
- being responsible for the corporate governance structure of the Company and compliance with the provisions of the 2020 Code;
- supervising the fulfilment of the obligations of the Company vis-à-vis its shareholders, accounting to the shareholders for the discharge of its responsibilities and in so doing balancing the interests of the parties involved with the Company;
- fostering an effective dialogue with the shareholders and potential shareholders based on a mutual understanding of objectives and concerns;
- making proposals to the General Shareholders' Meeting for the appointment or reappointment of Directors and ensuring that there is a succession planning for Directors in place.

With respect to its monitoring responsibilities, the Board:

- reviews the existence and functioning of a system of internal controls, including adequate identification and management of risks (including those relating to compliance with existing legislation and regulations);

- takes all necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information in accordance with applicable law;
- ensures that the Company presents an integrated view of the performance in its annual report and that it contains sufficient information on issues of societal concern and the relevant environmental and social indicators;
- ensures that there is a process in place for monitoring the company's compliance with laws and other regulations, as well as for the application of internal guidelines relating thereto.
- supervises the performance of the external auditor. However, any such system should take into account the size of the Company; and
- approves a code of conduct (or several activity-specific codes of conduct), setting out the expectations for the Company's leadership and employees in terms of responsible and ethical behaviour. The Board shall monitor compliance with such code of conduct at least on an annual basis.

In the implementation of its tasks, the Board shall at all times act in conformity with the interests of the Company.

#### **4.1.3 Access to advisors and information – Duty of confidentiality**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the Chair of the Board and the CEO or directly by the Director provided that the Director informs the Chair of the Board and the CEO thereof in advance. When such meetings or contacts are initiated directly by a Director, such Director will use his/her judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, if not inappropriate, copy the Chair of the Board and the CEO in any written communications between a Director and an officer or employee of the Company.

Each Committee or individual Director, after consultation with and approval of the Chair of the Board, is entitled to engage experts or advisors, including independent legal counsel, on matters that fall within the role and responsibilities of their respective functions within the Company and which they deem necessary or appropriate to carry out their functions. The Company will provide for appropriate funding, as determined by the Board, for payment of reasonable compensation to any such experts, advisors or counsel retained by a Committee or Director, as the case may be.

The Board has the authority and the duty to use adequate, necessary and proportional means in order to fulfil its responsibilities. The Board as a whole is collectively accountable to the Company for adequately exercising its authority, powers and duties.

Directors have access to all corporate information needed to fulfil their functions and duties. This right of access is subject, in the case of personal information concerning employees of the Company, to applicable privacy laws.

## 4.2 Composition, nomination procedure and induction

### 4.2.1 Composition of the Board

The number of Directors, which can be natural persons or legal entities (in which case they need to be permanently represented by a natural person pursuant to the CCA), is set at a minimum of three (3).

The Board should comprise a majority of non-executive directors and at least three of them must be independent directors.

As from the first day of the sixth year following listing (i.e., by 1 January 2026), at least one third of the members of the Board should be from a different gender than that of the other members. If a Director is a legal entity, its gender shall be determined by the gender of its permanent representative.

The legal entity appointed as Director may not revoke its permanent representative without simultaneously appointing a successor. The appointment and termination of the office of the permanent representative are governed by the same disclosure rules as if he/she were exercising the office on his/ her own behalf.

The composition of the Board ensures that decisions are made in the corporate interest. The composition of the Board shall be (i) appropriate to the Company's purpose, its operations, phase of development, structure of ownership, (ii) determined so as to gather sufficient expertise in the Company's areas of activity as well as sufficient diversity of skills, knowledge, background, age and gender.

The Board should be small enough for efficient decision-making. It should also be large enough for its Directors to be able to contribute experience and knowledge from their different fields and for changes to the Board's composition to be managed without undue disruption. The adequacy of the size and the composition of the Board is regularly assessed by the Board on the recommendation of the Nomination Committee.

The term of the Directors' mandates cannot exceed four (4) years. Resigning Directors can be re-elected for a new term. The General Shareholders' Meeting can dismiss the Directors at any time.

The Board elects a chairperson, the Chair of the Board, from among its non-executive Directors on the basis of his knowledge, skills, experience and mediation strength.

Where necessary and appropriate, the Board may also elect a vice chairperson and other officers. The Board shall appoint the Company Secretary who need not to be a Director. Failing appointment of the Chair of the Board or in case of absence of the Chair of the Board at a given meeting, the chairmanship at a meeting shall be assumed by the vice chairperson (if appointed and not absent) or otherwise by oldest Director (in age) from among the Directors present at the meeting of the Board.

The *curricula vitae* of the Directors and the candidates for a directorship mandate are available for consultation on the Company's website. A list of the Directors indicating which Directors are independent Directors is disclosed in the Corporate Governance Statement.

#### 4.2.2 Nomination procedure

The nomination procedure for the Board members is transparent. For any new appointment to the Board, the skills, knowledge and experience already present and those needed on the Board will be evaluated and, in the light of that evaluation, a description of the role and skills, experience and knowledge needed will be prepared (a “profile”). The composition of the Board is further determined in light of gender diversity and diversity in general. However, the Board shall at all times maintain objective selection criteria for all Directors and Executives.

When dealing with a new appointment, the Chair of the Board and the Chair of the Nomination Committee ensures that, before considering the candidate, the Board has received sufficient information such as the candidate’s *curriculum vitae*, an assessment of the candidate based on the candidate’s initial interview(s), a list of the positions currently held by the candidate and, if applicable, any necessary information about the candidate’s independence.

The Chair of the Board is in charge of the nomination procedure. The Board is responsible for proposing members for nomination to the General Shareholders' Meeting, in each case based on the recommendation of the Nomination Committee. Should any of the offices of Director become vacant, for whatever reason, the remaining Directors will have the right to temporarily fill this vacancy until the next General Shareholders' Meeting, which will make the final appointment. However, as long as the General Shareholders' Meeting or the Board has not filled a certain vacancy, whatever the reason may be, the Director whose term has expired continues to carry out his duties if it is necessary for the Board to consist of the minimum number of members required by law or the Articles of Association.

Moreover, the Board ensures that processes are in place for the orderly and timely succession of Directors.

The Board shall ensure that, when considering nominating the former CEO as a Director, the necessary safeguards are in place so that the new CEO has the required autonomy. If the Board envisages appointing a former CEO as Chair of the Board, it should carefully consider the positive and negative implications of such a decision and disclose in the Corporate Governance Charter why such appointment will not hinder the required autonomy of the CEO.

Without prejudice to applicable legal provisions, proposals for the appointment of Directors should be communicated to the Board at least forty (40) days before the annual General Shareholders' Meeting, so as to allow the Nomination Committee to investigate and discuss such proposal and to advise the Board accordingly.

The appointment proposal put to the General Shareholders' Meeting should include a recommendation from the Board. This provision also applies to proposals for appointments originating from shareholders. Any proposal should specify the proposed term of the mandate, which should not exceed four (4) years. It should include relevant information on the candidate’s professional qualifications together with a list of the positions the candidate already holds. The Board will indicate which candidates satisfy the independence criteria as set out in the 2020 Code. The Board shall propose that the General Shareholders' Meeting votes on each proposed appointment separately.

### **4.2.3 Director qualifications**

Not less than three (3) Directors should meet the criteria for independence. All independent Directors appointed in accordance with the CCA should in principle meet the criteria referred to in article 7:87 of the CCA and set out in article 3.5 of the 2020 Code. The Company shall disclose in its Corporate Governance Statement which Directors it considers to be independent and, as the case may be, the reasons why it considers nevertheless a Director as independent despite one of the criteria referred to above not being met or despite the negative recommendation of the Nomination Committee on the nomination. An independent Director who ceases to satisfy the requirements of independence must immediately inform the Board thereof.

Directors should exhibit high standards of professional ability and judgment and should be committed, in conjunction with the other Directors, to serving the long-term interests of the Company.

Directors engage actively in their duties and are able to make their own sound, objective and independent judgements when discharging their responsibilities. They have the skills, knowledge and experience that complements the needs of the Company. In doing so, they bring to the Board a personal conviction and having the courage to act accordingly by assessing and challenging the views of other Directors and the Executive Management. Taken as a whole, the Board should be composed of persons who, to a certain extent, complement each other, and represent various areas of skill and expertise.

Directors make sure they receive detailed and accurate information and spend sufficient time studying it carefully so as to acquire and maintain a clear understanding of the key issues relevant to the Company's business. Board members seek clarification whenever they deem it necessary.

Directors communicate to the board any information in their possession that could be relevant to the board's decision-making. In the case of sensitive or confidential information, Board members should consult the Chair of the Board.

Non-executive Directors spend the time and meet as frequently as necessary to properly discharge their responsibilities. They should be 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. They should not consider taking on more than five directorships in listed companies, including the mandate in the Company. However, the Board can, in certain circumstances, advise the General Shareholders' Meeting that is acceptable to deviate from this rule.

Directors shall report changes to their other relevant commitments and their new commitments outside the Company to the Chair of the Board as they arise.

### **4.2.4 Term limits**

Appointments are generally made for a maximum term of four (4) years.

### **4.2.5 Induction**

The Chair of the Board shall ensure that newly appointed Directors receive an appropriate induction in order to help the Director get acquainted with the Company, including with its strategy, values, governance,



business challenges, key policies, finance, risk management and internal control systems, to ensure their capacity to swiftly contribute to the Board.

The induction of Directors who are also joining a Committee shall provide a description of their specific role and duties within the Committee they are joining, as well as any other information that might be necessary to exercise the role within the respective Committee. Each Director is individually responsible for developing and updating the knowledge and skills required to fulfil his mandate within the Board and any Committee he plays a part in. To this end, the Company makes sufficient resources available to the Directors.

### **4.3 Organization**

#### **4.3.1 Board meetings**

The Board shall convene as frequently as the interest of the Company requires and at least four (4) times per year, upon convocation by the Chair of the Board (or, in case he is absent or hindered, the vice-chairperson, if any, or, in the absence the latter, a Director appointed by the other Directors). A Board meeting must be called upon the request of two or more Directors.

The convening notice (the "**Convening Notice**") will be addressed to each Director, and shall indicate the date, place and time and the minutes of the meeting of the Board. The meeting of the Board may also take place via telephone or videoconference or any other means allowing effective deliberation between Directors. It shall be addressed at least four (4) calendar days in advance of the meeting of the Board, except in case of emergency where duly justified, which reduces the time limit to two (2) working days. In case of emergency, the Convening Notice shall indicate the reasons for the existence of such an emergency.

The Convening Notice can be validly addressed by ordinary mail, fax, email or any other means of communication under article 2281 of the Belgian civil code.

The Board may meet by conference call, video conference or by any similar communication equipment in which all persons participating in the meeting can hear each other and therefore, that permits deliberation between Directors.

Each Director that participated in the meeting or is represented, is considered having been validly convened. Directors moreover have the right to waive the irregularity of convocation and this before or after the meeting at which the Director has not been present or represented.

At least half of the Directors need to be present or represented to have a quorum. If the quorum is not reached, each Director shall be entitled to convene a second meeting that may validly deliberate and decide on the items that were on the agenda of the first meeting regardless of the number of Directors present or represented, provided that at least two (2) directors are present. The convening notice for such second Board meeting needs to be sent at least seven (7) calendar days prior to the date of the second meeting, unless in case of emergency the reasons of which should then be specified in the convening notice.

The number of Board and Committee meetings and the individual attendance records of Directors are disclosed in the Corporate Governance Statement.



Any Director can give power to another Director to represent him or her at a specific meeting and to vote on his or her behalf by way of any written means of communication that bears his signature. In that case, the instructing Director shall be deemed present. A Director can represent more than one other Director and can cast, together with his own vote, as many votes as he received proxies.

#### **4.3.2 Deliberation and decision making**

The decisions of the Board are made by a simple majority of the votes cast.

The Board shall not deliberate on items that are not mentioned on the agenda, unless all Directors are present or represented at the Board meeting and unanimously consent to do so.

In case votes are tied, the person chairing the board meeting shall have a casting vote.

Within the limits of the applicable legal provisions, decisions of the Board can be made by way of unanimous written decision of the Directors.

Directors arrange their personal and business affairs so as to avoid any direct or indirect conflicts of interest with the Company. Any director must abide with the rules on conflicts of interests as set forth in Chapter 10 (“Conflicts of interests”) of this Charter.

#### **4.3.3 Agenda items for Board meetings**

The Chair of the Board sets the agenda, upon consultation with the CEO and the Company Secretary. The Chair of the Board ensures that a detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the Directors approximately four days prior to each Board meeting. The agenda specifies the topics for decision and those for information, but Directors have the right to raise any question, which they consider appropriate in light of the Company's operations.

#### **4.3.4 Minutes**

The Company Secretary drafts the minutes of each meeting reflecting the issues that were discussed, the decisions that were taken and, if any, the reservations that were voiced by dissenting Directors (whose names shall only be recorded upon their request).

### **4.4 Representation of the Company by its directors**

The Company is validly represented by:

- the Board acting as a collegiate body;
- any two of its Directors acting jointly or;
- within the scope of the daily management, any person to whom such daily management has been delegated, and should the daily management be exercised by a collegial organ, by two of its members;
- any other person acting within the mandate granted to such person by the Board or a person in charge of the daily management.

#### **4.5 Performance and evaluation of the Board**

Under the lead of the Chair of the Board and assisted by the Nomination Committee (and possibly also by external experts), every three (3) years the Board will conduct a self-evaluation in respect of its size, composition, efficiency, performance and those of its Committees and the interplay with the latter, as well as in respect of its interaction with the Executive Management. The evaluation will have the following objectives:

- (a) assessing how efficient the Board or the relevant Committee operates;
- (b) checking that the important issues are suitably prepared and discussed;
- (c) evaluating the actual contribution of each director's work, the director's presence at Board and Board committee meetings and his constructive involvement in discussions and decision-making; and
- (d) checking the Board's or Committee's current composition against the Board's or Committee's desired composition.

The non-executive Directors must assess their interaction with the Executive Management on an annual basis. In this respect, non-executive Directors will meet at least once a year without the CEO and the other executive Directors.

There is a periodic evaluation of the contribution of each Director aimed at adapting the composition of the Board to take account of changing circumstances. At the time of their re-election, the Directors' commitments and contributions are evaluated within the Board and the Board ensures that any appointment or re-election allows for an appropriate balance of skills, knowledge and experience to be maintained on the Board. The same applies at the time of the appointment or re-election of the chairperson (of the Board and of its Committees).

At the end of each Director's term, the Nomination Committee evaluates this Director's presence at the Board or Committee meetings, their commitment and their constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The Nomination Committee should also assess whether the contribution of each Director is adapted to changing circumstances.

However, the evaluation of the Board, its Committees and its Directors does not necessarily need to occur within the framework of a formalized evaluation process. The Board may also elect to conduct such evaluation on an ongoing and informal basis within the framework of the meetings of the Board and its Committees.

The Board will act on the results of the performance evaluation by recognizing its strengths and addressing its weaknesses. Where appropriate, this will involve proposing new Directors for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the Board.

The Corporate Governance Statement discloses information on the main features of the evaluation process of the Board, of its Committees and its individual Directors.

Directors shall not attend the discussions on their evaluation.

#### **4.6 Director remuneration**

The Board shall adopt, upon the advice of the Remuneration Committee, a remuneration policy designed to attract, reward and retain the necessary talent, to promote continuous improvement of the business, the achievement of strategic objectives in accordance with the Company's risk appetite and behavioural norms, to promote sustainable value creation and to reward performance in order to motivate employees to deliver increased shareholder value through superior business results. The Board shall ensure that the remuneration policy is consistent with the overall remuneration framework of the Company. The Board submits the policy to the General Shareholders' Meeting.

The Board will prepare a remuneration policy pursuant to Article 7:89/1 of the CCA and intends to submit this policy to the General Shareholders' Meeting approving the annual accounts for the financial year ending on 31 December 2020. Upon each material change to the remuneration policy and in any case at least every four (4) years, the remuneration policy will be submitted to the General Shareholders' Meeting for approval. The General Shareholders' Meeting vote on the remuneration policy is binding. Remuneration will only be paid in accordance with the remuneration policy approved by the General Shareholders' Meeting. Until the approval of the remuneration policy pursuant to Article 7:89/1 CCA, the Directors and Executives will be remunerated pursuant to the current remuneration practices, if there is no approved remuneration policy, or as the case may be in accordance with the most recently approved remuneration policy.

The non-executive Directors may receive a fixed remuneration in consideration for their membership of the Board and their attendance at the meetings of Committees of which they are members. Meetings related to the Nomination Committee are not remunerated.

None of the executive Directors will receive any remuneration in consideration for their membership of the Board.

The Remuneration Committee recommends the level of remuneration for Directors, subject to approval by the Board and, subsequently, by the General Shareholders' Meeting. The Remuneration Committee benchmarks directors' compensation against peer companies to ensure that it is competitive. Remuneration is linked to the time committed to the Board and its various Committees.

Without prejudice to the powers granted by law to the General Shareholders' Meeting, the Board sets and, from time to time, revises the rules and the level of compensation for Directors carrying out a special mandate or sitting on one of the Committees and the rules for the reimbursement of Directors' business-related out-of-pocket expenses. The remuneration of Directors will be disclosed to the Company's shareholders in accordance with applicable laws and regulations.

#### **4.7 Board interaction with institutional investors, analysts, media, customer and members of the public**

The Board shall ensure an effective dialogue with shareholders and potential shareholders through appropriate investor relation programmes, in order to achieve a better understanding of their objectives and concerns. Feedback of such dialogue shall be given to the Board, on at least an annual basis.

The Company shall discuss with institutional investors the implementation of their policy on the exercise of institutional investors' voting rights in the relevant financial year and ask institutional investors and their voting agencies for explanations on their voting behaviour.

Except where directed by the Chair of the Board or the CEO or CFO of the Company, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must only be made by specifically designated representatives of the Company. If a Director receives any inquiry relating to the Company from the media, securities analysts, brokers or investors, including informal social contacts, he/she should decline to comment and ask them to contact the Chair of the Board or the CEO or CFO of the Company.

## **5 CHAIR OF THE BOARD**

### **5.1 Appointment**

The Board elects the Chair of the Board from amongst its members. For the appointment of the Chair of the Board, the Nomination Committee will prepare a job specification, including an assessment of the commitment expected, recognizing the need for availability in the event of crises. The Chair of the Board is appointed by the Board based on his knowledge, skills, experience and mediation strength. The Chair of the Board should be a person trusted for its professionalism, independence of mind, coaching capabilities, ability to build consensus, and communication and meeting management skills.

The Chair of the Board and the CEO should not be the same individual. If the Board envisages appointing a former CEO as Chair of the Board, it should carefully consider both the positive and negative aspects of such a decision and disclose why this appointment is in the best interests of the Company in the Corporate Governance Statement.

In the absence of the Chair of the Board and for chairing discussions and decision-making by the Board on matters where the Chair of the Board has a conflict of interest his or her tasks are performed by the vice-chairperson (if appointed and not absent or hindered) or otherwise by the oldest Director.

### **5.2 Roles and responsibilities**

The Chair of the Board is responsible for the leadership and the proper and efficient functioning of the Board. The Chair of the Board should engender a climate of trust, allowing for open discussions and constructive challenge. The Chair of the Board should ensure that there is sufficient time for consideration and discussion before decision-making.

The Chair of the Board provides leadership to the Board in discharging its duties, and acts as an interface between the Board, the Company's shareholders, and other significant stakeholders. The Chair of the Board is responsible for taking the lead, supported by the Committees if necessary, in all initiatives that are designed to ensure that the Board functions effectively and in line with its terms of reference. Moreover, the Chair of the Board shall ensure effective interaction between the Board and the Executive Management.

The Chairperson to the Board determines the agenda of the Board meetings in consultation with the CEO and the Company Secretary (and taking into account the request from the Directors) and chairs Board

meetings. The Chair of the Board shall ensure that procedures relating to preparatory work, deliberations, the passing of resolutions and the implementation of decisions are properly followed. The agenda should specify which topics are for information, for deliberation or for decision-making purposes.

He ensures that Directors receive prior to each meeting accurate, concise, timely and clear information and where necessary, between meetings. The Chair of the Board will also make sure that all board members receive the same Board information and that there is sufficient time for consideration and discussion before making decisions.

The Chair of the Board will ensure that newly appointed board members receive an appropriate induction geared to their role, including an update on the legal and regulatory environment, to ensure their capacity to swiftly contribute to the Board.

The Chair of the Board will conduct the General Shareholders' Meeting and take all necessary measures to ensure that any relevant questions from the shareholders are adequately answered.

All individual Directors have access to the Chair of the Board.

## **6 COMPANY SECRETARY**

The Board appoints a Company Secretary, who assists and advises the Board, the Chair of the Board, the Chairpersons of the Committees at their request, and all Directors and Executives in exercising their general and specific roles and duties. The Board shall oversee that the person appointed as the company secretary has the necessary skills and knowledge of corporate governance matters.

The core responsibilities of the Company Secretary include:

- ensuring that the Company's corporate bodies comply with their requirements under the law, the Articles of Association and terms of reference, including those laid down in this Charter;
- preparing the Corporate Governance Charter and the Corporate Governance Statement;
- taking the initiative to submit a description of the deviations to the 2020 Code to the Board at least once a year to verify the quality of each explanation;
- organizing the General Shareholders' Meetings;
- acting as secretary of the General Shareholders' Meetings and Board meetings;
- ensuring that the essence of the discussions and decisions at Board meetings are accurately captured in the minutes;
- ensuring, under the direction of the Chair of the Board, good information flow within the Board and its Committees and between the Executive Management and non-executive Directors; and
- facilitating induction and assisting with professional development as required.

The Company Secretary is responsible to the Board and is accountable to the Board through the Chair of the Board on all matters relating to his core duties. The Company Secretary regularly reports to the Board, under the direction of the Chair of the Board on how Board procedures, rules and regulations are being followed and complied with. He has the authority and the duty to use adequate, necessary and proportional means in order to efficiently fulfil the Board's responsibilities. The Board may decide to replace the Company Secretary at any time.

Individual Directors have access to the Company Secretary.

## **7 EXECUTIVE MANAGEMENT**

The Executive Management is composed of the CEO and the Other Executives being any other person, as decided by the Board in consultation with the CEO. The Executives are appointed upon the proposal of the Chair of the Board, and may be removed at any time.

The Board shall decide on and regularly review the Company's medium and long-term strategy based on proposals from the Executive Management. The Board shall monitor the operational plans and main policies developed by the Executive Management to give effect to the approved Company strategy and determine the risk appetite of the Company on the proposal of the Executive Management in order to achieve the Company's strategic objectives.

### **7.1 CEO**

#### **7.1.1 Appointment**

The Board appoints and dismisses the CEO, being the person in charge of the daily management (*personne en charge de la gestion journalière/person belast met dagelijks bestuur*). The CEO reports directly to the Board. The Board shall satisfy itself that there is a succession plan in place for the CEO, and shall review this plan periodically.

The CEO leads the Executive Management within the framework established by the Board and under its ultimate supervision.

The Board appoints and dismisses the Other Executives, in consultation with the CEO, and taking into account the need for a balanced Executive Management.

The Board is allowed to appoint multiple CEO(s), in which case the appointed CEO(s) act as a collegiate body.

#### **7.1.2 Role**

The role of the CEO is to implement the mission, strategy and targets set by the Board. The CEO is responsible for the day-to-day management of the Company. He may be granted additional well-defined powers by the Board, and the Board shall at all times allocate to the CEO the powers that are required and appropriate for the correct discharge of his tasks and responsibilities. The CEO is accountable to the Executive Management for the discharge of the tasks and responsibilities allocated to him/her.

The CEO has direct operational responsibility for the Company and oversees the organization and day-to-day management of subsidiaries, affiliates and joint ventures. The CEO is responsible for the execution and management of the outcome of all decisions of the Board.

The Board determines the powers and duties entrusted to the Executive Management and develop a clear delegation policy, in close consultation with the CEO. The CEO and the Other Executives implement the missions set by the Board.

The responsibilities of the CEO shall, amongst others, include:

- defining, examining, analyzing and proposing to the Board strategic business opportunities that can contribute to the further growth of the Company and the Group as a whole;
- executing the decisions of the Board;
- preparing proposals to the Nomination Committee concerning the appointment, remuneration and evaluation of the Company's management team;
- setting up, chairing and leading the meetings of the Executive Management;
- managing the Other Executives as they discharge of their individual responsibilities, as determined by the CEO;
- determining the objectives to be achieved by the Board;
- communicating with the outside world;
- ensuring the day-to-day management of the Company and accounting to the Executive Management for such management at regular intervals;
- maintaining a continuous dialogue and interaction with the Other Executives in an atmosphere of openness and a climate of trust; and
- maintaining excellent relationships with the Company's customers, suppliers and the authorities.

In addition, the CEO must enable the Board and the Chair of the Board to exercise their responsibilities as Directors. The CEO must therefore:

- prepare proposals on topics for which decision-making is the preserve of the Board;
- meet the Chair of the Board at regular intervals, consult him and involve him in strategic projects from the outset;
- provide the Board with all the possible relevant information it needs to exercise its powers.

## **7.2 Role of the Executive Management**

The Executive Management is charged with the management of the Company, with the exception of the determination of the Company's strategy, the supervision of the Executive Management, and the powers reserved to the Board and General Shareholders' Meeting by law, by the Articles of Association or this Charter. The Executive Management shall meet regularly and in principle at least once a month in person or via telephone conferencing or videoconferencing.

In general, the role of the Executive Management is to run the Company in accordance with the values, strategies, policies, plans and budgets endorsed by the Board. The Executive Management shall be collectively responsible for the Company's management and the general affairs of the Company's business. In discharging its duties, the Executive Management shall be guided by the interests of the Company and its business; it shall take into account the relevant interests of all those involved in the Company, including the Company's shareholders. The Executive Management is responsible for the quality of its own performance.

In the exercise of this role, the Executive Management is responsible for complying with all relevant legislation and regulations, the Articles of Association and this Corporate Governance Charter.

The Board shall satisfy itself that there is a succession plan in place for the Other Executives and review this plan periodically.

The Executive Management shall:

- be entrusted with the running of the Company;
- put internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other risks) without prejudice to the Board's monitoring role, based on the framework approved by the Board;
- present to the Board a complete, timely, reliable and accurate Company financial statements, in accordance with the 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 information;
- present the Board with a balanced and understandable assessment of the Company's financial situation;
- provide the Board with all information necessary in a timely fashion for the Board to carry out its duties;
- be responsible and accountable to the Board for the discharge of its responsibilities.

The Executive Management may sub-delegate its specific powers and responsibilities.

The Executive Management will interact with the Board as follows:

- it will formulate proposals to the Board in relation to the Company's strategy and its implementation;
- it has sufficient latitude to implement the approved strategy in accordance with the Company's risk appetite;
- clear and actionable procedures exist for the Executive Management as regards its decision-making powers, its reporting of key decisions to the board and for the evaluation of the CEO and the other members of the Executive Management;
- the Board and the Executive Management agree on whether the Executives may accept memberships of other corporate boards. Time constraints and potential conflicts of interests should be considered and balanced against the opportunity for the Executive's professional development;
- Interactions between Board members and Executives take place in a transparent way. The chair should always be informed.

## **8 AUDIT COMMITTEE**

### **8.1 Introduction**

"Large" listed companies (as defined in Article 7:99 of the CCA) are legally obliged to establish an audit committee within their Board. Although at the date of this Charter the Company does not qualify as a "large" company, the Board has voluntarily established an Audit Committee.



## 8.2 Composition of the Audit Committee

The Audit Committee consists of three Directors, or a greater number as determined by the Board as required. All members of the Audit Committee (the "**Members of the Audit Committee**" and each a "**Member of the Audit Committee**") must be non-executive Directors. Each Member of the Audit Committee must meet the criteria for independence set forth in Rule 10A-3(b)(1) under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act). At least one member must be independent within the meaning of provision 3.5 of the 2020 Code. The Chair of the Audit Committee (the "**Chair of the Audit Committee**") shall be appointed by the Members of the Audit Committee. Ideally, the Chair of the Audit Committee shall be qualified as a certified public accountant or have similar competences in accounting and auditing.

The term of the mandate of a Member of the Audit Committee can never exceed the term of the relevant member as Director.

The Members of the Audit Committee must have a collective competence in the business activities of the Company as well as in accounting, auditing and finance, and at least one Member of the Audit Committee must have the necessary competence in accounting and auditing.

Notwithstanding anything to the contrary, in appointing Members of the Audit Committee the Board may rely on the applicable phase-in rules applicable to initial public offerings in accordance with Rule 5615(b)(1) of the Marketplace Rules of the Nasdaq Stock Market.

## 8.3 Functioning of the Audit Committee

The Audit Committee performs the duties specified by the CCA. Matters relating to the audit plan and any issues arising from the audit process should be placed on the agenda of every meeting of the Audit Committee and should be discussed specifically with the external and internal auditors at least once a year.

Each Member of the Audit Committee is entitled to meet with any relevant person without any other Director being present. Members of the Executive Management may be invited to attend meetings of the Audit Committee to provide relevant information and insights into their areas of responsibility.

The Board should draft up procedures giving the Audit Committee access to independent professional advice at the Company's expense.

Every three (3) years, the Audit Committee reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board.

## 8.4 Meetings

The Audit Committee meets as frequently as necessary to ensure effective operation of the Audit Committee, but at least four (4) times a year and at least when the Board approves the financial statements and the condensed or short form financial information that will be published. The number of meetings is determined by the Chair of the Audit Committee.

A meeting of the Audit Committee will not be in quorum unless a majority of its members is present or validly represented.

The Chair of the Audit Committee convenes the meetings of the Audit Committee. All meetings will be conducted according to an agenda, drawn up by the Chair of the Audit Committee, in consultation with the relevant Members of the Audit Committee and the Executive Management. The Audit Committee will consider proposals made by relevant parties, including Executive Management and shareholders.

Meetings of the Audit Committee may also be organized by means of video- or teleconference.

The Chair of the Audit Committee will keep minutes of each meeting of the Audit Committee. The minutes will be signed by the Chair of the Board, as well as at least one other Member of the Audit Committee.

## **8.5 Role and responsibilities of the Audit Committee**

The role of the Audit Committee is to assist the Board in fulfilling its monitoring responsibilities in respect of control in the broadest sense, including responsibilities for the financial reporting process, the system of internal control and risk management (including the Company's process for monitoring compliance with laws and regulations) and the external audit process. In addition, the Audit Committee reviews the specific arrangements for raising concerns – in confidence – about possible improprieties in financial reporting or other matters.

Without prejudice the legal responsibilities of the Board, the roles of the Audit Committee shall include the following:

- a. Informing the Board of the result of the statutory audit (*wettelijke controle/contrôle legal*) of the (consolidated) annual accounts and explaining how the statutory audit (*wettelijke controle/contrôle legal*) of the (consolidated) annual accounts has contributed to the integrity of the financial reporting and the role of the Audit Committee in such process.
- b. Monitoring the financial reporting process and making recommendations or proposals to ensure the integrity of the process, in particular:
  - ensuring that financial reporting gives a truthful, honest and clear picture of the situation and prospects of the Company, on both an individual and consolidated basis;
  - checking the accuracy, completeness and consistency of financial information before it is announced;
  - assessing the choice of accounting policies and the impact of new accountancy rules; and
  - discussing significant matters relating to financial reporting both with the Executive Management and the statutory auditor.
- c. Monitoring the effectiveness of the Company's internal control and risk management systems, as well as, if there is an internal audit, monitoring the internal audit and its effectiveness, in particular:
  - evaluating at least once a year the effectiveness of the internal control and risk management system installed by the Executive Management;

- examining the statements relating to internal control and risk management included in the corporate governance statement of the Company;
  - investigating the specific arrangements to enable staff to express concerns in confidence about any possible improprieties in financial reporting and other areas (whistle-blower arrangements). The Audit Committee agrees on arrangements whereby staff may inform the chair of the Audit Committee directly. Arrangements should be made for the proportionate and independent investigation of such matters and for the appropriate follow-up actions. The Audit Committee ensures that all the staff of the Company and its subsidiaries are aware of such arrangements; and
  - deciding on the appointment and dismissal of the independent internal auditor. The Audit Committee approves annual budgets and the internal audit budget. The responsibilities of the Audit Committee also include evaluation of the effectiveness of the internal audit function and the follow-up given by Executive Management to the findings and recommendations made by the independent internal auditor.
- d. Monitoring the statutory audit (*wettelijke controle/contrôle legal*) of the annual and consolidated accounts, including the follow-up on any questions and recommendations made by the external auditor, and in particular:
- supervising the relationship between the Company and the external auditor and making recommendations to the Board concerning the selection, appointment, reappointment, dismissal and terms of engagement of the external auditor; and
  - monitoring the external auditor's schedule and ensuring the effectiveness of the external audit process. The Audit Committee examines the extent to which the Executive Management complies with the recommendations made by the external auditor in its management letter.
- e. Reviewing and monitoring the independence of the external auditor, in particular in the light of the provisions of the CCA, and in particular:
- examining which additional (non-audit) services have been entrusted to the external auditor and the scope of such services. The Audit Committee determines and updates a formal policy with regard to the types of additional services that : a) are excluded; b) are permissible after verification by the Audit Committee and c) are permissible without being referred to the Audit Committee, taking account of the specific requirements of the CCA;
  - analyzing, together with the statutory auditor, the threats for the statutory auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in article 4 §3 of Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities.
- f. Making recommendations to the Board with regard to the appointment of the external auditor in charge of the statutory audit (*wettelijke controle/contrôle legal*) of the consolidated annual accounts in accordance with article 16 §2 of Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities. In particular, the Audit Committee supervises the relationship between the Company and the external auditor in charge of the statutory audit (*wettelijke controle/contrôle legal*) of the consolidated annual accounts and makes recommendations to the Board concerning the selection, appointment, reappointment, dismissal and terms of engagement of

the external auditor in charge of the statutory audit (*wettelijke controle/contrôle legal*) of the consolidated annual accounts.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits, or to determine that the Company's financial statements and disclosures are complete, accurate, and in accordance with generally accepted accounting principles, applicable rules, and regulations. These are the responsibilities of the Board and the Company's statutory auditor.

Moreover, without prejudice to the statutory provisions which determine that the statutory auditor must address reports or warnings to the corporate bodies of the Company, the statutory auditor must discuss, at the request of the statutory auditor, or at the request of the Audit Committee of the Board, with the Audit Committee or the Board, essential issues which are brought to light in the exercise of the statutory audit of the financial statements, which are included in the additional statement to the Audit Committee, as well as any meaningful shortcomings discovered in the internal financial control system of the Company.

The members to the Audit Committee have full access to the Executive Management and to any other employee to whom they may require access in order to carry out their responsibilities.

## **8.6 Reporting**

After each meeting of the Audit Committee, the Board should receive a written report on the findings and recommendations of the audit Committee, as well as oral feedback from the Audit Committee at the next Board meeting. The Chair of the Audit Committee will report to the Board in any event when the Board prepares the annual accounts, the consolidated annual accounts and the condensed financial statements intended for publication.

## **9 REMUNERATION COMMITTEE**

### **9.1 Introduction**

“Large” listed companies (as defined in Article 7:100 of the CCA) are legally obliged to establish a remuneration committee within their Board. Although the Company currently does not qualify as a “large” company, the Board has voluntarily set up a Remuneration Committee.

### **9.2 Composition of the Remuneration Committee**

The Remuneration Committee consists of at least three Directors. All members of the Remuneration Committee (the "**Members of the Remuneration Committee**", and each a "**Member of the Remuneration Committee**") are non-executive Directors. The Remuneration Committee consists of a majority of independent Directors and is chaired by the Chair of the Board or another non-executive Director appointed by the Remuneration Committee (it being understood that the Chair of the Board (if he or she is a member of the committee) shall not chair the committee when it is set to decide on the Chair of the Board's succession).

The Members of the Remuneration Committee must have the necessary expertise in terms of remuneration policy.

### **9.3 Functioning of the Remuneration Committee**

The Remuneration Committee performs their duties as specified by the CCA. In particular, it makes proposals to the Board on the remuneration policy for non-executive Directors and Executives, on the annual review of the Executive Management's performance and on the realisation of the Company's strategy against agreed performance measures and targets with respect to its attributions.

Each Member of the Remuneration Committee is entitled to meet with any relevant person without an Executive being present. The Executive Management may be invited to attend meetings of the Remuneration Committee to provide relevant information and insights into their areas of responsibility.

The Board drafts up procedures giving the Remuneration Committee access to independent professional advice at the Company's expense.

The Remuneration Committee reviews its terms of reference and its own effectiveness regularly (and at least every two (2) to three (3) years). It reports on its assessment to the Board and submits to the Board proposals for changes where necessary.

### **9.4 Meetings**

The Remuneration Committee meets as frequently as necessary to ensure effective operation of the Remuneration Committee, but at least twice a year. The Remuneration Committee may organise – where necessary and appropriate – meetings of the Remuneration Committee using video, telephone or internet-based means.

Meetings of the Remuneration Committee are in principle called by the Chair of the Remuneration Committee. Each Member of the Remuneration Committee may request that a meeting be called.

A meeting is validly constituted if it is attended in person by at least two (2) Members of the Remuneration Committee.

The Remuneration Committee is entitled to meet with any relevant person without any Executives being present and has access to independent professional advice at the Company's expense.

No individual Director shall be present at the meeting of the Remuneration Committee at which his own remuneration is discussed nor shall an individual Director be involved in any decision concerning his own remuneration. The CEO participates in the meetings of the Remuneration Committee in an advisory capacity each time the remuneration of another Executive is being discussed.

The Chair of the Remuneration Committee will keep minutes of each meeting of the Remuneration Committee. The minutes will be signed by the Chair of the Board, as well as at least one other Member of the Remuneration Committee.

## 9.5 Role and responsibilities of the Remuneration Committee

The role of the Remuneration Committee is to make recommendations to the Board with regard to the remuneration of Directors and the Executive Management.

The role of the Remuneration Committee is to assist the Board in all matters:

- relating to the remuneration of non-executive Directors;
- relating to the remuneration of the CEO;
- relating to the remuneration of the Executives, other than the CEO, upon proposal by the CEO; and
- on which the Board or the Chair of the Board requests the Remuneration Committee's advice.

With regard to the remuneration policy of the Company, the Executive Management, the Remuneration Committee's responsibilities shall include:

- establishing the remuneration policy and strategy for Directors and the Executive Management;
- preparing proposals for the Board on the remuneration policy for non-executive Directors and Executives, as well as, where appropriate, on the resulting proposals to be submitted by the Board to the General Shareholders' Meeting;
- preparing proposals for the Board regarding the individual remuneration of Directors and the Executive Management, including variable remuneration and long-term incentives, whether or not stock-related, in the form of stock options or other financial instruments, and of several payments, and regarding the arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board to the General Meeting;
- preparing the Remuneration Report in line with the remuneration policy approved by the General Shareholders' Meeting and submitting this Remuneration Report to the Board for inclusion in its annual report; and
- explaining the Remuneration Report at the annual General Shareholders' Meeting.

## 9.6 Reporting

The Remuneration Committee reports to the Board on a regular basis. Moreover, after each meeting of the Remuneration Committee, the Board should receive a written report on the findings and recommendations of the Remuneration Committee, as well and oral feedback from each Member of the Remuneration Committee.

# 10 NOMINATION COMMITTEE

## 10.1 Composition of the Nomination Committee

The Nomination Committee consists of at least three Directors. All members of the Nomination Committee (the "**Members of the Nomination Committee**", and each a "**Member of the Nomination Committee**") are non-executive Directors. The Nomination Committee consists of a majority of independent Directors and is chaired by the Chair of the Board or another non-executive Director appointed by the Nomination Committee (it being understood that the Chair of the Board (if he or she is a member of the committee) shall not chair the committee when it is set to decide on the Chair of the Board's succession).

The Members of the Nomination Committee must have the necessary expertise in terms of nomination policy.

## **10.2 Functioning of the Nomination Committee**

The Nomination Committee performs their duties as specified by the CCA. In particular, it makes recommendations to the board with regard to the appointment of board members and executives.

Each Member of the Nomination Committee is entitled to meet with any relevant person without an Executive being present.

The Board drafts up procedures giving the Nomination Committee access to independent professional advice at the Company's expense.

The Nomination Committee reviews its terms of reference and its own effectiveness regularly (and at least every two (2) to three (3) years). It reports on its assessment to the Board and submits to the Board proposals for changes where necessary.

## **10.3 Meetings**

The Nomination Committee meets as frequently as necessary to ensure effective operation of the Nomination Committee, but at least twice a year. The Nomination Committee may organise – where necessary and appropriate – meetings of the Nomination Committee using video, telephone or internet-based means.

Meetings of the Nomination Committee are in principle called by the Chair of the Nomination Committee. Each Member of the Nomination Committee may request that a meeting be called.

A meeting is validly constituted if it is attended in person by at least two (2) Members of the Nomination Committee.

The Nomination Committee is entitled to meet with any relevant person without any Executives being present and has access to independent professional advice at the Company's expense.

The Chair of the Nomination Committee will keep minutes of each meeting of the Nomination Committee. The minutes will be signed by the Chair of the Board, as well as at least one other Member of the Nomination Committee.

## **10.4 Role and responsibilities of the Nomination Committee**

The role of the Nomination Committee is to make recommendations to the Board with regard to the appointment of Directors and the Executive Management.

The role of the Nomination Committee is to assist the Board in all matters relating to:

- the selection and recommendation of qualified candidates for Director mandates;
- the assignment of responsibilities to the executives;

- the appointment of the CEO;
- the appointment of the Executives, other than the CEO, upon proposal by the CEO.

With regard to the appointment and assessment of Directors, and the Executive Management, the Nomination Committee's responsibilities shall include:

- providing recommendations concerning the size and composition of, and appointment to, the Board and the Committees;
- preparing selection criteria and procedures for Directors and Executives;
- selecting and proposing suitable candidates for vacant Director mandates, reviewing candidates as proposed by a shareholder in accordance with the Articles of Association and advising on proposals to reappoint current Directors;
- recommending individuals for appointment as CEO or Executive (in consultation with the CEO as regards the appointment of the Other Executives);
- assessing the performance of the CEO and, in cooperation with the Other Executives; and
- supervising the programmes and procedures for the training, development, promotion of diversity in leadership, and succession planning of Executive Management.

## **11 SCIENCE & TECHNOLOGY COMMITTEE**

### **11.1 Composition of the Science & Technology Committee**

The Science & Technology Committee consists of at least three Directors. The chairperson of the Science & Technology Committee (the "**Chair of the Science & Technology Committee**") shall be appointed by the members of the Science & Technology Committee.

### **11.2 Functioning of the Science & Technology Committee**

The Science & Technology Committee is responsible for assisting the Board in overseeing, supporting and challenging the actions being taken by management in relation to technology and innovation.

The Board drafts up procedures giving the Science & Technology Committee access to independent professional advice at the Company's expense.

The Science & Technology Committee reviews its terms of reference and its own effectiveness regularly (and at least every two (2) to three (3) years). It reports on its assessment to the Board and submits to the Board proposals for changes where necessary.

### **11.3 Meetings**

The Science & Technology Committee meets as frequently as necessary to ensure effective operation of the Science & Technology Committee, but at least twice a year. The Science & Technology Committee may organise – where necessary and appropriate – meetings of the Science & Technology Committee using video, telephone or internet-based means.



Meetings of the Science & Technology Committee are in principle called by the Chair of the Science & Technology Committee. Each member of the Science & Technology Committee may request that a meeting be called.

A meeting is validly constituted if it is attended in person by at least two (2) Members of the Science & Technology Committee.

The Science & Technology Committee is entitled to meet with any relevant person without any Executives being present and has access to independent professional advice at the Company's expense.

The Chair of the Science & Technology Committee will keep minutes of each meeting of the Science & Technology Committee. The minutes will be signed by the Chair, as well as at least one other Member of the Science & Technology Committee.

#### **11.4 Role and responsibilities of the Science & Technology Committee**

The role of the Science & Technology Committee is to assist the board in oversight and proactive management of the technology and innovation agenda of the business in light of a rapidly changing environment in which the Company operates.

The role of the Science & Technology Committee is to assist the Board in all matters:

- relating to strategic direction of the Company's technology, research and product development programs;
- relating to monitoring and evaluating existing and future trends in technology that may affect the Company's strategic plans, including monitoring of overall industry trends;
- relating to the innovation and technology acquisition process to assure ongoing business growth;
- relating to IT risk management and cyber security strategy;
- relating to measurement and tracking systems in place to monitor the performance of the Company's technology in support of overall business strategy and to achieve successful innovation.

#### **11.5 Reporting**

The Science & Technology Committee reports to the Board on a regular basis. Moreover, after each meeting of the Science & Technology Committee, the Board should receive a written report on the findings and recommendations of the Science & Technology Committee, as well and oral feedback from each Member of the Science & Technology Committee.

### **12 CONFLICT OF INTEREST**

Directors and Executives are expected to arrange their personal and business affairs so as to avoid any direct or indirect conflicts of interest with the Company. Any director shall act in such a way that a conflict of interest is avoided and must abide with the rules on conflicts of interests as set out in article 7:96 of the CCA. They place the Company's interests above their own, and has the duty to look after the interests of all Shareholders on an equivalent basis. Each Director and Executive acts according to the principles of reasonableness and fairness. When the Board or the Executive Management take a decision, the Directors

and the Executives should disregard their personal interests. They shall not use business opportunities intended for the Company for their own benefit.

In particular, each Director and Executive shall:

- exercise his or her function in a sound, sensible and ethical manner;
- not request or accept, either directly or indirectly, substantial donations for his or her own benefit;
- disregard their personal interests, when the Board takes a decision;
- not use business opportunities intended for the Company for their own benefit;
- not develop any capacity whatsoever, or activities which are, directly or indirectly, in competition with the activities of the Company;
- not provide third parties with unjustified advantages at the expense of the Company;
- respect the confidentiality of information and deliberation during and after its membership of the Board and/or of the Executive Management.

Any Director with an interest of patrimonial nature that is directly or indirectly opposed to the decisions to take by the Board (as contemplated by article 7:96 of the Belgian CCA) must bring it to the attention of his fellow Directors. He shall not take part in any deliberation or voting related thereto.

In particular, at the beginning of each Board meeting, Directors and Executives declare whether they have any conflict of interests regarding the agenda items.

Each Director and Executive is, in particular, attentive to conflicts of interests that may arise between the Company, its Directors, its major shareholders, other shareholders and stakeholders. The Directors who are proposed by major shareholders ensure that the interests and intentions of these shareholder(s) are sufficiently clear and communicated to the Board in a timely manner.

The Board and the Executive Management act in such a manner that a conflict of interests, or the appearance of such a conflict of interest, is avoided. In the possible case of a conflict of interests, the Board and the Executive Management shall, under the lead of the Chair of the Board or the CEO, decide which procedure it will follow to protect the interests of the Company and its shareholders. The Board and the Executive Management shall procure that all the transactions involving conflicts of interests will be referred to in the annual report, and explain why the procedure followed to protect the interests of the Company and its shareholders was chosen. However, where there is a substantial conflict of interests, the Board and Executive Management carefully considers communicating as soon as possible on the procedure followed, the most important considerations and the conclusions.

### **13 DUTY OF CONFIDENTIALITY**

Members of the Board or of the Executive Management must treat all information and documentation acquired within the framework of their positions as member of the Board or the Executive Management with the necessary discretion and, in the case of confidential information, with the appropriate secrecy.

Confidential information will not be disclosed outside the Board or Executive Management, made public or otherwise made available to third parties, even after resignation from the Board or the Executive

Management, unless it has been made public by the Company or it has been established that the information is already in the public domain.

## **14 RULES PREVENTING MARKET ABUSE**

With a view to preventing market abuse (insider dealing and market manipulation), the Board has established a dealing code (the "**Dealing Code**"). The Dealing Code describes the declaration and conduct obligations of Directors, the Executive Management, certain other employees and certain other persons with respect to transactions in shares and other financial instruments of the Company. It sets limits on carrying out transactions in shares and other financial instruments of the Company, and allows dealing by the above mentioned persons only during certain windows. In doing so, it ensures that Directors, the Executive Management, certain other employees do not abuse, nor place themselves under suspicion of abusing, and maintain the confidentiality of inside information (as defined in the Dealing Code) that they may have or be thought to have, especially in periods leading up to an announcement of financial results or of price-sensitive events or decisions.

The Dealing is attached to this Charter as Annex I and will be made available on the website of the Company.

## **15 MISCELLANEOUS**

### **15.1 Changes to the Charter**

The Board may amend this Charter from time to time without prior notice. It may also decide at any time to deviate from this Charter subject to disclosure thereof in the corporate governance statement of the annual report.

Any such modification or deviation will be published on the Company's website.

Third parties shall not derive any rights from such modification or deviation.

### **15.2 Priority**

In case of any contradiction between a provision of this Charter and any applicable mandatory law or regulation, such law or regulation shall supersede the provisions of this Charter.

### **15.3 Governing law and jurisdiction**

This Charter shall be governed by and construed in accordance with Belgian law.

The courts of Nivelles (Walloon Brabant, Belgium) shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Charter.

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**ANNEX I: DEALING CODE**