



# **Mithra Pharmaceuticals SA**

## Corporate Governance Charter

Approved by the Board of Directors of Mithra Pharmaceuticals SA on 15 June 2015

Update: 17 July 2015

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## I. INTRODUCTION

Mithra Pharmaceuticals SA (“**Mithra**” or the “**Company**”) attaches great value to good corporate governance and is aware that good governance is an important factor in investment decisions for all stakeholders of the Company.

On 9 December 2004, the Belgian Corporate Governance Committee published the Belgian Corporate Governance Code, which is a code of best practice applying to listed companies on a non-binding basis (“comply or explain” approach). On 12 March 2009, the Belgian Corporate Governance Committee published the 2009 version of the Belgian Code on Corporate Governance (the “**CGC**”), which replaces the previous version from 2004.

Pursuant to Article 96, §2, 1° of the Belgian Companies Code (the “**BCC**”) and the Royal Decree of 6 June 2010 with regard to the election of the Corporate governance Code to be complied with by listed companies, as a company incorporated and existing under Belgian law and listed on the regulated market of Euronext Brussels, the Company must apply the CGC (“comply or explain” approach). As required by the CGC, the Company has drawn up this Corporate Governance Charter in order to describe the main aspects of its corporate governance policy, such as its governance structure, the terms of reference of the Board of Directors (the “**Board**”) and its Committees and other important topics such as the remuneration policy. This Corporate Governance Charter was approved by the Board on 15 June 2015 and may be updated from time to time.

The Corporate Governance Charter, together with the articles of association of the Company (the “**Articles of Association**”), are available on the Company’s website ([www.mithra.com](http://www.mithra.com)), mentioning the date of the most recent update. The Corporate Governance Charter will be updated as required in the case of any change made to the Company’s corporate governance policy.

In addition, the Company shall include in its annual report a Corporate Governance Statement (hereinafter “**Corporate Governance Statement**”) containing a remuneration report and providing more factual information relating to its corporate governance policy, including changes to the Company’s corporate governance together with relevant events that took place during the year under review, such as the appointment of new Directors, the appointment of Committee members, or the annual remuneration received by members of the Board. If necessary, the Board shall provide explanations of where it has departed from the provisions laid down in this Corporate Governance Charter and why it has done so.

The remuneration report should form a well-defined part of the Corporate Governance Statement and provide the information listed in Article 96, §3 of the BCC. The remuneration report should contain *inter alia* a statement of the adopted remuneration policy for the executive Directors, the principle that no individual should decide his own remuneration and a description of its internal procedure (i) for developing a remuneration policy for non-executive Directors and executive Directors and (ii) for setting the level of remuneration for non-executive Directors and executive

Directors. Any significant changes to this remuneration policy occurred since the end of the financial reported year should be explicitly emphasized in the remuneration report.

Titles used in this Charter are used for clarity purposes only and cannot be used for interpretation purposes. Definitions and concepts referred to in plural also relate to singular and vice versa. Words and definitions referred to in masculine also relate to the feminine and vice versa. Reference to a law also means that reference is made to any amendments, replacements, extensions, etc. to such law.

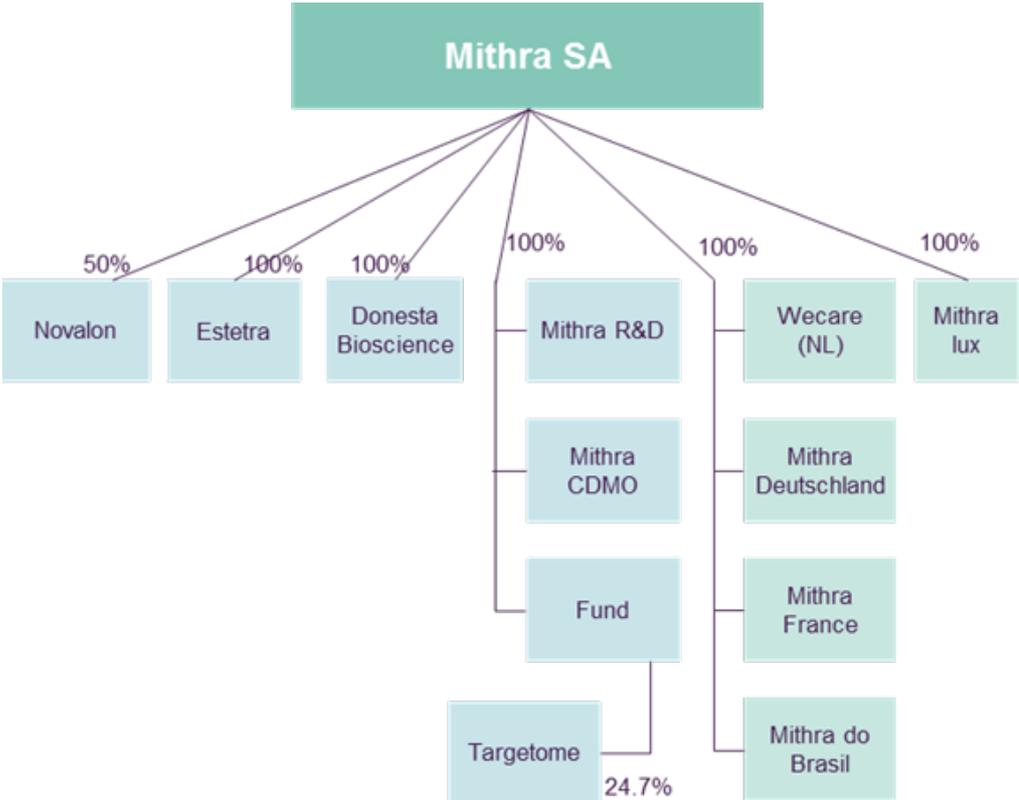
**II. STRUCTURE AND ORGANISATION**

**A. REGISTERED OFFICE AND GROUP STRUCTURE**

The Company has its registered office at the following address:

Mithra Pharmaceuticals SA  
Rue Saint-George 5  
4000 Liège  
Belgium  
Tel.: +32 (0)4 349 28 22  
Fax: +32 (0)4 349 28 21  
Email: info@mithra.com

The following schematic reflects the current group structure in which the Company is the parent company.



**B. INCORPORATION DATE, LAST AMENDED BYLAWS**

The company was incorporated by notarial deed of 8 July 1999, filed with the Clerk's Office of the Commercial Court of Liège on 13 July 1999, and published in the Annexes to the Belgian Official Gazette of 27 July 1999 under number 990727-326.

**C. DURATION**

The Company was established for an indefinite period of time

**D. LEGAL FORM, APPLICABLE LAW**

The Company is a public limited liability company ('*société anonyme*') organized and existing under the laws of Belgium. It is a public company within the meaning of Article 438 of the BCC ('*une société anonyme faisant ou ayant fait publiquement appel à l'épargne*').

**E. CORPORATE PURPOSE**

The corporate purpose of the Company is set forth in Article 3 of its articles of association and reads as follows:

*"The Company has as its purpose, both in Belgium and abroad, whether directly or indirectly, whether in its own name and for its own account or in the name of and for the account of third parties, the development and the commercialisation of drugs, pharmaceuticals products or medical research, chemical or biological specialties, and all products and materials in general, for sale over the counter or otherwise, in any specialty related to female health, including:*

*a) any research and development activities in that field, possibly through joint ventures with other companies, universities or organisms, whether public or private, whether Belgian or foreign;*

*b) the production and commercialisation of such products;*

*c) the distribution and commercialisation, both in Belgium and abroad, including the import and export and any activities as an intermediary in those transactions, of such products;*

*d) the entering into and the operation of any agreement with respect to the commercialisation, industrial or commercial representation, licenses, patents, know-how, trademarks or intellectual or industrial property rights in relation to such activities;*

*e) the performance of any mandates and functions in companies, business, associations or public organisms active in such field of activities;*

*The company may effect any commercial, civil, industrial, financial, movable and immovable transactions that linked, whether directly or indirectly, whether entirely or partially, are linked to its corporate purpose or that are of a nature that they, whether directly or indirectly, expand or promote its business.*

*It can take an interest in any manner in any companies, associations or business having a corporate purpose that is similar or related to its own, or that is likely to promote the development of its activities.*

*The company may achieve its corporate purpose in any places and by any means and in the most appropriate manner.”*

## **F. LISTING**

The Company's shares are admitted to trading on the regulated market of Euronext Brussels, under the ticker "MITRA".

## **G. MAIN GOVERNANCE STRUCTURE**

The Company has opted for a one-tier governance structure. As provided by Article 522 of the BCC, the Board is the ultimate decision-making body in the Company, except with respect to such areas that are reserved by law or by the Company's articles of association to the General Shareholders Meeting.

The Board's Terms of Reference, including its responsibilities, duties, composition and operation are set out hereafter in Chapter IV ("Board: Terms of reference").

The responsibilities of the Chair of the Board are described in Schedule B ("Role and Responsibilities of the Chair of the Board").

Furthermore, the Board appointed a Company Secretary whose responsibilities are described in Chapter VI ("Secretary of the Board").

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

The Executive Management Team is an advisory Committee to the Board, and therefore does not constitute a Management Board (*'comité de direction'*) within the meaning of Article 524*bis* of the BCC. The Board has delegated the Company's daily management within the meaning of Article 525 of the BCC to the Chief Executive Officer (CEO). Each of the members of the Executive Management Team has individually been made 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 a delegation from the Board; in the case of the other Executive Management Team members, by way of a delegation from the CEO).

The Terms of Reference of the Executive Management Team, including its responsibilities, duties, composition and operation, are set out in Schedule C ("Executive Management Team – Terms of reference"). The Terms of Reference of the CEO and the other members of the Executive Management Team, including their responsibilities and duties, are set out in Schedule D ("Role and Responsibilities of the CEO and the Members of the Executive Management Team").

The Board has also established an Audit Committee, a Nomination & Remuneration Committee and a Scientific Committee. These Committees have merely an advisory function, as is the case for the Executive Management Team. They assist the Board with specific tasks, being understood that the final decision making power remains with the Board. The Terms of Reference of the Audit Committee, including its responsibilities, duties, composition and operation, are set out in Schedule F (“Audit Committee – Terms of Reference”), those of Reference of the Nomination & Remuneration Committee are set out in Schedule E (“Nomination & Remuneration Committee – Terms of Reference”) and those of the Scientific Committee are set out in Schedule G (“Scientific committee – Terms of Reference”).

## **H. WEBSITE**

The Board ensures that all information that the Company is obliged to publish pursuant to legal provisions (including the BCC) and this Corporate Governance Charter is posted on and updated in a clearly recognisable part of the Company’s website under the heading “Investor Relations”, separate from the commercial information.

## **III. SHARE CAPITAL AND SHAREHOLDERS’S STUCTURE**

### **A. SHARE CAPITAL**

As the date of this Corporate Governance Charter, the share capital of the Company amounts to € 22.360.425,22, represented by 30.542.992 fully paid-up ordinary shares.

The Company also created a stock option plan under which warrants were granted to employees, consultants or Directors of the Company. At the date of this Corporate Governance Charter, warrants representing 1,796,850 additional shares were outstanding (each warrant giving right to subscribe for 1,650 shares). The terms of this warrant plan are set out below under Section III.F (“summary of existing warrant plants”) of this Corporate Governance Charter.

There are no other securities outstanding at the date of this Corporate Governance Charter.

In the event of a share issue, shareholders have a right of preferential subscription in proportion to the number of shares they hold. The General Shareholders Meeting may decide upon a limitation or cancellation of the right of preferential subscription provided that all applicable legal requirements are met.

The Extraordinary General Shareholders Meeting of 8 June 2015 authorised the Board to increase the capital, in one or more transactions, with a maximum amount equal to the amount of the share capital immediately after IPO, during a period of 5 years as of the publication in the Annexes to the Belgian State Gazette of the authorisation (i.e. until 8 July 2020) (the so-called authorised capital (*‘capital autorisé’*)). The capital increases to which may be decided under this authorisation can take place in accordance with the conditions as are to be decided by the Board, such as: by means of a contribution in cash or in kind, subject to the mandatory limits and in accordance with the mandatory conditions provided for by the BCC; through conversion of

reserves, issuance premiums, profits carried forward and revaluation gains (*'gains de réévaluation'*); with or without issuance of new shares, with or without voting rights, except that such shares cannot have an issue price lower than the par value of the then existing shares of the Company; through issuance of convertible bonds, subordinated or not; through issuance of warrants or bonds to which warrants or other tangible values are attached; and/or through issuance of other securities. Within the framework of the authorised capital, the Board is authorised to limit or cancel the preferential subscription right of existing shareholders (including for the benefit of one or more specific persons who are not employees of the company or of its subsidiaries).

The Board is also authorised to require an issue premium when increasing the capital.

The Board has also been authorised to increase the share capital following a notification by the FSMA that it has been informed of a public takeover bid on the company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more specific persons who are not employees of the company or of its subsidiaries) or through contributions in kind, with issuance of shares, warrants or convertible bonds, during a period of 3 years as of the authorisation (i.e. until 8 June 2018) (*cf.* art. 607 BCC).

## **B. SHAREHOLDING STRUCTURE OF THE COMPANY**

Approximately 30,48% of the total number of shares of the Company is publicly held. The remaining approximately 69,52% is held by the significant shareholders and a number of small shareholders listed below in Section C ("Identity of the significant shareholders of the Company and description of their voting rights, special control rights and any shareholder agreements, if any").

**C. IDENTITY OF THE SIGNIFICANT SHAREHOLDERS OF THE COMPANY AND DESCRIPTION OF THEIR VOTING RIGHTS, SPECIAL CONTROL RIGHTS AND ANY SHAREHOLDER AGREEMENTS, IF ANY**

Taking into account the transparency declarations the Company has received pursuant to the law of 2 May 2007 on large shareholdings in listed issuers, the significant shareholders of the Company (i.e. above 3% on a non-fully diluted basis) are:

<b>Notifications received pursuant to the law of 2 May 2007 on large shareholdings*</b>		
Last update: 18 July 2015		Situation as per*
<b>Share capital</b>	<b>30.542.992</b>	
<b>Total number of voting rights</b> (= denominator)	<b>30.542.992</b>	

<b>François Fornieri</b>			
securities carrying voting rights (shares)	9.247.229	30,28%	30 June 2015
assimilated financial instruments <sup>(1)</sup>	903.571	2,96%	30 June 2015
<b>Mithra Participations<sup>(3)</sup> (société civile de droit commun)</b>			
securities carrying voting rights (shares)	363.000	1,19%	30 June 2015
<b>total</b>	<b>10.513.800</b>	<b>34,42%</b>	
<b>Marc Coucke</b>			
securities carrying voting rights (shares)	1.168.802	3,83%	30 June 2015
<b>Alychlo NV<sup>(4)</sup></b>			
securities carrying voting rights (shares)	3.882.584	12,71%	30 June 2015
<b>Mylecke Management, Art &amp; Invest NV<sup>(4)</sup></b>			
securities carrying voting rights (shares)	81.738	0,27%	30 June 2015
<b>total</b>	<b>5.133.124</b>	<b>16,81%</b>	
<b>Meusinvest SA</b>			
securities carrying voting rights (shares)	5.008.766	16,40%	30 June 2015
<b>OGEO Fund OFP</b>			
securities carrying voting rights (shares)	1.481.700	4,85%	30 June 2015

<b>Free float<sup>(2)</sup></b> (securities carrying voting rights (shares))	<b>9.309.173</b>	<b>30,48%</b>	30 June 2015
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(all percentages are calculated on the basis of the current total number of voting rights)

<sup>(1)</sup> Assimilated financial instruments within the meaning of article 6 of the Royal Decree of 14 February 2008 on the disclosure of large shareholders, i.e., securities, options, futures, swaps, interest term agreements and other derivatives concerning existing securities carrying voting rights that grant their holder the right to acquire such securities carrying voting rights pursuant to an agreement that is binding under the applicable law and only on the holders' own initiative.

<sup>(2)</sup> Free float being the shares not held, directly or indirectly, by François Fornieri, Marc Coucke, Meusinvest SA or OGE Fund OFP. Only shares held by these entities are taken into account for this calculation, to the exclusion of assimilated financial instruments.

<sup>(3)</sup> François Fornieri is the director of Mithra Participations (société civile de droit commun) and has discretionary authority to exercise the securities carrying voting rights (shares) it holds.

<sup>(4)</sup> Mylecke Management Art & Invest NV is directly controlled by Alychlo NV and indirectly controlled by Marc Coucke. Alychlo NV is directly controlled by Marc Coucke.

\* All information based on the notifications received pursuant to the law of 2 May 2007 on the disclosure of large shareholdings.

The Articles of Association of the Company include the following lower threshold: 3%. All legal provisions applicable for the legal thresholds of 5% or any multiple of 5% also fully apply to the 3%-threshold adopted in the Articles of Association of the Company.

None of the major shareholders have, to the extent known to the Company, special voting rights or control rights.

To the Board's best knowledge no shareholders' agreement exists among shareholders of the Company with respect to the Company except for the lock-up agreements described hereafter.

A number of shares available for sale in the public market following the admission to listing of the Company's shares will be limited by several transfer restrictions. The members of the Company's Executive Management Team, and the Company's current shareholders have entered into a number of lock-up arrangements with KBC Bank Securities and ING Belgium NV (i.e. the Joint Bookrunners) for a period of 12 months as from 30 June 2015. In the lock-up arrangements, the concept of 'transfer' is defined widely (sell, exchange, pledge, assign by way of security, grant any other right "in rem", deliver, offer, market, enter into any option, any future, any derivative (whether or not settled in cash) or otherwise dispose of or agree to dispose of any relevant shares or any rights therein).

#### **1. LOCK-UP ARRANGEMENTS APPLICABLE TO MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM AND OTHER SHAREHOLDERS OF THE COMPANY**

The persons which are shareholders at 16 June 2015 and each of the members of the Executive Management Team have entered into a lock-up arrangement with the Joint Global Coordinators in respect of:

- (i) the shares of the Company and all other "titres de capital" as defined in article 6 of the Belgian Prospectus Act,
- (ii) securities, certificates and contractual rights (including options, futures, swaps and other derivatives) issued or contracted by the Company, a subsidiary of the Company or in cooperation with the Company or any of its subsidiaries and representing, giving right to or being exchangeable for, any of the financial instruments referred to in (i) that are issued by the Issuer, and
- (iii) securities issued in exchange for the financial instruments referred to in (i) and (ii) in the framework of a merger, demerger or spin-off of the Company (together "Financial Instruments").

in each case, as held by a person at 16 June 2015 (together "Locked Financial Instruments").

Pursuant to the lock-up arrangement, they will not directly or indirectly, conditionally or unconditionally, except as set forth below, for a period of twelve months from 30 June 2015:

- (i) sell, exchange, pledge, assign by way of security, grant any right "in rem", deliver or offer or market, a Locked Financial Instrument whether for consideration or for free,

- (ii) enter into any option or any future (whether or not settled in cash) or otherwise dispose of or agree to dispose of (whether conditionally or unconditionally, now or in the future) any Locked Financial Instrument,
- (iii) enter into any swap, any arrangement, any derivative transaction (whether or not settled in cash) or issue any instruments that transfer (conditionally or unconditionally, now or in the future) to a third party all or part of the economic risk, benefits, rights or ownership of a Locked Financial Instrument, and
- (iv) announce any of the above or the intention thereto.

As of six months from 30 June 2015, the shareholders (but not the members of the Executive Management Team) may, as an exemption to the transfer restriction set out in the paragraph above, transfer the Locked Financial Instruments provided that

- (i) one or more such shareholders that hold in the aggregate at least 25% of the Locked Financial Instruments at the time the request is made, shall have requested and obtained the prior approval of the Joint Global Coordinators and
- (ii) any such transfer shall solely be effected through a coordinated sale.

None of the restrictions for the shareholders and members of the Executive Management Team referred to above apply to

- (i) Shares being lent to the Stabilisation Manager (ING Belgium SA/NV),
- (ii) transfers of Locked Financial Instruments to legal successors or other transferees in case of death of a natural person or in case of liquidation, concursus, merger, demerger, transfer or contribution of a branch of activity or transfer or contribution of a universality (provided, however, that the legal successor or transferee/contributtee adheres to the lock-up agreement and assumes the relevant transfer restriction obligations for the remaining term thereof),
- (iii) transfers of Locked Financial Instruments between a shareholder and their affiliates (provided, however, that the affiliate adheres to the lock-up arrangement and assumes the relevant transfer restriction obligations for the remaining term thereof and that the transferor and the transferee agree that the Locked Financial Instruments will be retransferred if the transferee would cease to be an affiliate of the transferor), and
- (iv) acceptance of a public tender offer or the making of an irrevocable commitment (whether conditional or not) prior to the launch of a tender offer,
- (v) any transfer of Locked Financial Instruments subscribed for or acquired after the initial public offering of the shares of the Company (other than the Financial Instruments received pursuant to the exercise of any of the Locked Securities, unless in case such Financial Instruments are acquired after the initial public offering of the shares of the Company pursuant to an exemption set forth in this paragraph), or
- (vi) any transfer of Locked Financial Instruments further to an order from a court or as otherwise mandatorily required under any applicable laws.

In addition to the Lock-up set out under this paragraph, the shareholders and members of the Executive Management Team shall in addition in any event comply with the statutory lock-up provisions set forth in the Royal Decree of 17 May 2007 on primary market practices (“arrêté royal du 17 mai 2007 relatif aux pratiques de marché primaire”) in respect of the shares acquired by them within the year preceding 30 June 2015 at a lower price than EUR 12 (the “IPO Price”),

which imposes a hard lock-up for 12 months, except in case of a transfer which leads to the duty to make a public tender offer or in case the shares are contributed or transferred in the context of a public tender offer; however, (a) if it would appear that such shares will have been acquired by such persons within a period of 3 months prior to 30 June 2015 at a discount of not more than 20% vis-à-vis the IPO Price, then the relevant person shall not transfer 100% of such shares during 6 months following 30 June 2015 and (b) if it would appear that such shares will have been acquired by such persons within a period of 9 months prior to the period of 3 months prior to 30 June 2015, at a discount of not more than 30% vis-à-vis the IPO Price, then the relevant person shall not transfer 100% of such shares during 6 months following 30 June 2015.

**D. CROSS-SHAREHOLDINGS EXCEEDING 5%**

There are no cross-shareholdings among the Company and any of its shareholders.

**E. ANY OTHER DIRECT OR INDIRECT RELATIONSHIP BETWEEN THE COMPANY AND ITS MAJOR SHAREHOLDERS**

***Related Party Transactions***

It should be noted that Mr François Fornieri was approximately 20% shareholder of Uteron Pharma at the time it was acquired by Actavis, and therefore has a right to receive approximately 20% of all deferred payment obligations taken on by the Company vis-à-vis the sellers of Uteron Pharma as set out in Section 8.10.2 - Purchase of Estetra SPRL and three projects from Actavis, consisting of approximately EUR 57.5 million in milestone payments, of which approximately EUR 7.5 million has been paid on the date of this Prospectus, a further EUR 2.5 million will be triggered by the completion of the Offering and approximately EUR 47.5 million remains conditionally due to the seller upon the achievement of certain milestones in respect of the development and commercialisation of E4 based product candidates as well as reaching certain sales targets, and low-single digit royalty payments. The corporate approval of this transaction by the Board was done in accordance with the procedure set out in Article 523 BCC, in respect of YIMA SPRL.

Since 2012, the related parties with which transactions have occurred are as follows (as further specified below):

- The Company, as part of the acquisition of Estetra SPRL, took on certain deferred payment obligations which Watson-Actavis had entered into (in addition to its upfront payment of U.S.\$ 150 million) vis-à-vis the sellers of Uteron Pharma (which includes, for 20%, Mr. François Fornieri) in the Share Purchase Agreement it entered into in respect of the acquisition of Uteron Pharma. Of these obligations EUR 7.5 million has been paid, and a further 2.5 million will become due upon completion of the Offering, leaving EUR 47.5 million outstanding.
- The Company furthermore acquired Donesta Bioscience B.V. from Pantarhei Bioscience, for an upfront payment of EUR 8 million and a deferred consideration of 12 million. It should be noted that Pantarhei Bioscience B.V. was not a related party at the time, but, in the meantime, through the entry into the Board of Directors as a result of this transaction of Mr. Herjan Coelingh Bennink, has become a “related party”.

- The Company currently leases 800 m2 out of its 1600m2 office space at its headquarters from its CEO, YIMA SPRL.
- In September 2014, the Company acquired 100% of the shares of Mithra IBD and Mithra RDP, both from Mr François Fornieri, for a total consideration of EUR 3.0 million..
- In December 2014, the Company acquired 25% of the shares of Novalon from Mr François Fornieri for a total consideration of EUR 2.0 million.

YIMA SPRL, represented by Mr François Fornieri, the chief executive officer of the Company, is a major shareholder of the Company (see Section C (“Identity of the significant shareholders of the Company and description of their voting rights, special control rights and any shareholder agreements, if any”)).

### ***Assets acquired from related parties***

In September 2014, the Company acquired 100% of the shares of Mithra IBD and Mithra RDP, both from Mr François Fornieri, for a total consideration of EUR 3.0 million. These business combinations between entities under common control were accounted for using the pooling of interests accounting method and the results have been accounted for since their incorporation.

In December 2014, the Company acquired 25% of the shares of Novalon from Mr François Fornieri for a total consideration of EUR 2.0 million.

### **F. SUMMARY OF EXISTING WARRANT PLANS**

The Company created a stock option plan under which warrants were granted to employees, consultants or Directors of the Company (“*droits de souscription*”) (“Warrants”).

Upon proposal of the Board of Directors, the Extraordinary Shareholders Meeting of the Company of 2 March 2015 approved the issuance of Warrants giving right to 1,796,850 Shares, which, on a fully-diluted basis (not taking into account the over-allotment warrant, however), represent 5,56% additional Shares.

The Warrants have been granted free of charge. All Warrants have been accepted by the relevant beneficiaries. Each warrant entitles its holder to subscribe for 1,650 Shares of the Company at a subscription price of EUR 5,646.00 per 1,650 Shares (a part of which corresponding to the par value of the existing Shares on the day the Warrants are exercised will be allocated to the share capital, the balance will be booked as an issue premium).

The Warrants can be exercised as from 1 January 2019, and have a term of 8 years as from their grant. Upon expiration of the 8 years term, the Warrants become null and void. On the date hereof, all Warrants remain outstanding.

The table below gives an overview (as at the date of this Prospectus, and assuming completion of the Offering) of the outstanding Warrants described above.

Issue Date	Term	Warrants issued in number of Shares	Warrants granted in number of Shares	Exercise price per Share(EUR)	Warrants no longer exercisable in number of Shares	Warrants outstanding in number of Shares	Exercise periods vested Warrants
2 March 2015	From 2 March 2015 to 1 March 2023	1,089	1,796,850	5,646.00	0	1,796,850	1 January 2019 to 1 March 2023, from the first to the 10 <sup>th</sup> day of each quarter (or the 1 <sup>st</sup> following working day if the latter is a holiday)

## **G. FORM OF SHARES**

The Company's shares can be held as either registered shares or dematerialised shares, at the discretion of the shareholders.

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

Holders of registered shares may request that their registered shares be converted into dematerialised shares.

Any costs incurred by the conversion of shares into another form will be borne by the shareholder. Any requests should be made in writing, duly signed and sent by ordinary mail to the registered office of the Company for the attention of the Company Secretary.

## **H. SHAREHOLDERS' RIGHTS**

### **1. SHARES**

All shares are ordinary and confer equal rights. Each share gives right to one vote.

### **2. GENERAL SHAREHOLDERS MEETING**

The Company encourages its shareholders to participate in the General Shareholders Meetings.

**(a) Dates and places**

The General Shareholders Meetings are held at the registered office of the Company or at the place determined in the convening notice.

The Annual General Shareholders Meeting is held every year on the 3<sup>rd</sup> Thursday, at 5:00 pm (Belgian time). If this date is a legal holiday, the meeting is held on the next Business Day.

Special or Extraordinary General Shareholders Meetings may be convened as often as the Board or the Statutory Auditor deems necessary.

In addition, shareholders representing at least 20% of the issued capital may request that Special or Extraordinary General Shareholders Meetings be convened. The request must specify the items to be discussed, and be addressed to the Board, which is obliged to convene the meeting within three weeks as of receiving the request.

In accordance with Article 533<sup>ter</sup> of the BCC, one or more shareholders holding at least 3% of the Company's share capital have the right to add new items on the agenda of a General Shareholders Meeting and to file proposals of decision concerning items that were or will be written on the agenda of a General Shareholders Meeting. Any shareholder(s) who exercise(s) this right must comply with the following 2 conditions for the proposal(s) to be eligible for consideration at the General Shareholders Meeting: (i) they must prove that they hold the above mentioned percentage of shares on the date of their request (either by producing a certificate of registration of those shares in the Company's shareholder register, or by producing a certificate from a recognized account holder or by a clearing institution evidencing that the relevant number of dematerialised shares are registered in the shareholder's name in the accounts of such authorised account holder or clearing institution); and (ii) they must demonstrate that they still hold 3% of the Company's share capital on the registration date. The Company must receive requests to add new items on the agenda of General Shareholders Meetings and to file new proposals of decision at the latest 22 days prior to the date of the General Shareholders Meeting. A revised agenda will be published by the Company at the latest 15 days prior to the date of the General Shareholders Meeting.

**(b) Convocation**

An invitation is sent to the holders of registered securities as well as to the Directors and the Statutory Auditor by letter (unless recipients have individually, expressly and in writing agreed to receive it via any other communication means) at least 30 days prior to the meeting.

The announcement for the General Shareholders Meeting is also published in (i) the Belgian State Gazette, (ii) in media of which it reasonably can be expected that it will ensure an effective distribution of the information among the public in the European Economic Area and which is quickly and in a non-discriminatory manner accessible, and (iii) in one Belgian newspaper at least 30 days prior to the meeting. In the case of the Annual General Shareholders Meeting taking place at the location, day and hour mentioned in the Articles of Association and having an

agenda limited to the discussion of the annual accounts, the annual report and the Statutory Auditor's report, the vote on the discharge to be given to members of the Board and to the Statutory Auditor, as well as the vote on the items mentioned under Article 554 BCC, the Company is exempted from the obligation to publish the announcement in a Belgian newspaper (it being understood that the publication under items (i) and (ii) here above will remain required).

The agenda and other relevant information which should be communicated to the holders of securities are published on the Company's website on the day of the publication of the convocation. This information can also be consulted at the registered office, where a copy can be obtained.

**(c) Lodging of securities**

The 14<sup>th</sup> day prior to the shareholders meeting, at 24:00 (CET) shall constitute the registration date.

A holder of shares can only participate in a General Shareholders Meeting and exercise its voting right on the basis of the accounting registration of its shares in its name on the registration date (and irrespective of the number of shares the shareholder holds at the date of the General Shareholders Meeting). For registered shares, this is the recordation of the shares in the shareholders register, for dematerialized shares, this is the recordation of the shares on the accounts of an authorized account holder or a settlement body.

The shareholder shall provide the Company (or any person appointed for this purpose by the Company) with its intention to participate to the meeting at the latest on the 6<sup>th</sup> day prior to the date of such meeting.

The Board shall maintain a register in which it shall record the name and address (or registered offices) of each shareholder who has duly expressed its intention to participate to the General Shareholders Meeting, the number of shares it held on the registration date and with which it has expressed the intention to participate in the meeting, as well as a description of the proof indicating that such shareholder held the relevant number of shares at the registration date.

**(d) Lodging of proxies**

A shareholder may grant a proxy to any other person, in accordance with Article 547bis BCC, and this for one or more specific General Shareholders Meetings, or for meetings which shall be held during a specific period. Any person may, as a proxy holder, represent multiple shareholders. Any grant of proxy must be received by the Company at the latest on the 6<sup>th</sup> day prior to the General Shareholders Meeting, in writing or electronically. The Company shall only accept such proxy forms which were provided by shareholders that comply with the rules regarding the lodging of securities.

**(e) Chair**

The General Shareholders Meetings are chaired by the Chair of the Board or, in their absence, by any other Board member.

The Secretary of the Company acts as secretary of the meeting, or, in his absence, the Chair appoints a secretary who need not be a shareholder. The Chair may choose one or two tellers from among the shareholders present who, together with the Directors present, shall constitute the bureau.

The Chair directs debates using the practices applicable in Belgium to assemblies of deliberation.

Observing the agenda, they ensure that questions at the meeting receive a response, insofar as the communication of data or facts is not of a nature to be detrimental to the business interests of the Company or the confidentiality to which the Company and its Directors or the Statutory Auditor have committed themselves..

**(f) Votes**

Each share confers the right to cast one vote. Except in cases stipulated by law or by the Articles of Association, the General Shareholders Meeting resolves validly whatever the number of shares present or represented, and on a simple majority of the votes cast. To validate the deliberations of certain Extraordinary General Shareholders Meetings, the law stipulates a quorum of 50% of the share capital present or represented. Failing this, a new General Shareholders Meeting must be convened to deliberate validly without the need for any quorum. In accordance with the subject matter, votes for resolutions require a qualified majority as laid down by law.

**(g) Minutes**

Official signed copies of the minutes, or an extract thereof, can be made available to any shareholder on request and will be signed either by the Chair or by 2 Directors or by a person entrusted with daily management powers.

The minutes of the meetings, including the results of the votes on the resolutions taken, will be posted on the Company's website within 15 days after the meeting.

**3. RIGHTS TO DIVIDENDS**

**(h) Dividend policy**

Following the IPO, the Company's dividend policy will be determined by, and may change from time to time by determination of, the Company's Board. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the Board. The calculation of amounts available to be distributed as dividends or otherwise distributed to shareholders must be made on the basis of the Belgian statutory financial statements, taking into account the limits set out by Article 617 of the BCC, i.e. no dividend may be issued when the net assets as reflected in the annual accounts, at the close

of the last financial year, pursuant to such distribution, are lower than or would fall below the amount of the paid-up capital or, if this amount is higher, of the called capital, increased with all reserves which may not be distributed in accordance with the law or the Issuer's articles of association.

Belgian law and the Articles of Association do not require the Company to declare dividends. Currently, the Board expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

**(i) Interim dividends**

According to Article 40 of the Articles of Association of the Company, the Board can, at its own risk and in compliance with the conditions as provided by the BCC, decide to pay interim dividends.

**IV. BOARD: TERMS OF REFERENCE**

These Terms of Reference have been adopted by the Board to clarify its role and responsibilities. These principles and policies are in addition to and are not intended to change or interpret any law or regulation, or the Articles of Association of the Company. The Board will revise these Terms of Reference from time to time to adopt it to its evolving needs.

**A. ROLE, RESPONSIBILITIES AND AUTHORITY**

**4. ROLE**

As provided by Article 521 of the BCC, the Company is headed by a Board acting as a collegiate body. The Board's role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board should decide on the Company's values and strategy, its risk preference and key policies. The Board should ensure that the necessary leadership, financial and human resources are in place for the Company to meet its objectives.

The Board believes that this involves a primary focus on long-term financial returns, while remaining sensitive to the interest of the stakeholders who are essential to a successful business: the Company's partners, shareholders and employees as well as the community and environment in which the Company operates.

**5. RESPONSIBILITIES**

The Company has opted for a "one-tier" governance structure.

As provided for by Article 522 of the BCC, the Board is the ultimate decision-making body in the Company, except with respect to such areas which are reserved by law or by the Company's Articles of Association to the General Shareholders Meeting.

The key responsibilities of the Board include:

- i. 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;
- ii. reviewing, evaluating and approving the Company's budget and forecasts;
- iii. reviewing, evaluating and approving major resource allocation and capital investments;
- iv. ensuring that the necessary leadership and the necessary financial and human resources are present so that the Company can achieve its objectives;
- v. reviewing the financial and operating results of the Company;
- vi. monitoring and evaluating the performance of the Company against strategic goals, plans and budgets;
- vii. choosing the structure of the Company's Executive Management Team, defining its powers and duties and supervising and evaluating the performance of the Executive Management Team and reviewing the realisation of the Company's strategy;
- viii. approving and overseeing the Company's principal objectives and strategy, as recommended by the CEO;
- ix. appointing and dismissing the CEO, the members of the Executive Management Team and the Company Secretary;
- x. determining the power and responsibilities of the CEO, in a clear manner and in writing;
- xi. appointing and dismissing members of the Board's committees;
- xii. monitoring and reviewing the effectiveness of the Board's Committees;
- xiii. maintaining continuing interaction and dialogue and a climate of respect, trust and candour with the Executive Management Team;
- xiv. reviewing, evaluating and approving compensation strategy as it relates to the members of the Executive Management Team of the Company, including, any decision to implement incentive schemes for the benefit of members of the Executive Management Team;
- xv. being responsible for the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information disclosed to the shareholders and potential shareholders;
- xvi. nominating the Statutory Auditor and supervising his work;
- xvii. describing the main features of the Company's internal control and risk management systems, to be disclosed in the Corporate Governance Statement;
- xviii. being responsible for the corporate governance structure of the Company and compliance with the provisions of the CGC;
- xix. supervising 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 coming into consideration of the parties involved with the Company;
- xx. fostering an effective dialogue with the shareholders and potential shareholders based on a mutual understanding of objectives and concerns.

With respect to its monitoring responsibilities the Board shall:

- i. review the existence and functioning of a system of internal control, including adequate identification and management of risks (including those relating to compliance with existing legislation and regulations);
- ii. take all necessary measures to ensure the integrity of the Company's financial statements;
- iii. supervise the performance of the external auditor and supervise the internal audit function.
- iv. However, any such system will be in line with the size of the Company.

In addition to the foregoing more general responsibilities of the Board, and notwithstanding the powers reserved by law to the Board, the Board has amongst other things also the following decision making responsibilities which have not been delegated to the CEO:

- i. any material change in the Company's debt structure and borrowings or the taking out of any mortgage or the pledging of assets if not foreseen in the approved annual budget;
- ii. the disposal of the whole or a substantial part of the business of the Company;
- iii. the acquisition or disposal of an equity participation in other companies;
- iv. any decision to incorporate, create, acquire and/or transfer subsidiaries or branches or to acquire assets to which a material part of the Company's business will be attributable after such acquisition;
- v. any transaction between the Company and a Director, member of the Executive Management Team, employee or shareholder or a person that is part of the same group as a Director or shareholder or any of its affiliates within the meaning of Article 11 of the BCC;
- vi. any proposal for the dissolution, liquidation, legal merger or legal de-merger of the Company in any manner;
- vii. any material variation to the terms of the Board-approved standard confidentiality, assignment of inventions and/or non-compete undertakings, in an employment agreement or services agreement that is being negotiated with a member of the Executive Management Team;
- viii. any decision relating to the entering into, amendment to or termination of material in- or out-licensing agreements.

In the implementation of its tasks, the Board must act in conformity with the interests of the Company.

## **6. AUTHORITY**

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 CEO or, on an exception basis, directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any of their written communications with an officer or employee of the Company.

The Board (and any Board Committee), after consultation with the Chair of the Board (or of the Committee concerned), has the power to engage experts or advisors, including independent legal counsel, deemed appropriate by the Board (or the Committee concerned), without consulting or obtaining the approval of any officer of the Company. The Company will provide for appropriate funding, as determined by the Board (or the Committee concerned), for payment of reasonable compensation to any such counsel, experts or advisors retained by the Board (or the Committee concerned).

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 such authority, powers and duties.

## **B. COMPOSITION, NOMINATION PROCEDURE AND INDUCTION**

### **7. COMPOSITION OF THE BOARD**

The Articles of Association provide that the number of Directors of the Company, who may be natural persons or legal entities and who need not be shareholders, shall be at least 3. In any event, the Board shall be small enough for efficient decision-making and large enough for its members to contribute experience and knowledge from different fields and for changes to the Board's composition to be managed without undue disruption. The Board currently believes that the optimum number of Directors is between 7 and 14.

At least one half of the Board shall comprise non-executive Directors and at least 3 of them shall be independent Directors.

Adequacy of size and composition will be regularly assessed by the Board under the lead of its Chair and upon recommendation of the Nomination & Remuneration Committee. The Board's composition should ensure that resolutions are made in the corporate interest.

The curricula vitae of the Directors and Directorship candidates are available for consultation on the Company's website. A list of the members of the Board, indicating which Board members are independent Directors, is disclosed in the Corporate Governance Statement.

### **8. NOMINATION PROCEDURE**

For any new appointment to the Board, the skills, knowledge and experience already present and those needed on the Board shall be evaluated and, in the light of that evaluation, a description of the role and skills, experience and knowledge needed shall be prepared (a 'profile').

When dealing with a new appointment, the Chair of the Board shall ensure that, before considering the candidate, the Board has received sufficient information such as the candidate's curriculum vitae, the assessment of the candidate based on the candidate's initial interview, a list of the positions the candidate currently holds, and, if applicable, the necessary information for assessing 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 upon the recommendation of the Nomination & Remuneration Committee.

Should any of the offices of Director become vacant, whatever the reason may be, the remaining Directors shall have the right to temporarily fill such vacancy until the next General Shareholders Meeting, which shall make a final appointment.

Whenever a legal entity is appointed as a Director, it must appoint an individual as its permanent representative, chosen from among its shareholders, managers, Directors or employees, and who will carry out the office of Director in the name and for the account of such legal entity.

Any proposal for the appointment of a Director by the General Shareholders Meeting shall be accompanied by a recommendation from the Board, based on the advice of the Nomination & Remuneration Committee. This provision also applies to proposals for appointment originating from shareholders. The proposal shall specify the proposed term of the mandate, which shall not exceed 4 years. It shall be accompanied by relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds. The Board will indicate whether the candidate satisfies the independence criteria.

## **9. DIRECTOR QUALIFICATIONS**

At least 3 members of the Board will meet the criteria for independence.

The Board's standards for determining the independence of a Director are set forth in Schedule A ("Independence Standards").

Appointments to the Board shall be made on merit and on the basis of objective criteria.

Directors should attain 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.

Each Director individually should have skills, knowledge and experience that are complementary to the need of the Company, and should bring to the Board an inquisitive and objective perspective that gives it the ability, if needed, to challenge management. Taken as a whole, the Board should be composed out of persons to a certain extent complementing each other, and representing various areas of skill and expertise.

Non-executive Directors should spend the time necessary and meet as frequently as necessary to properly discharge of 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 5 Directorships in listed companies, including the Directorship in the Company, provided that the Board can advise the shareholders to deviate from this rule. Changes to their other relevant commitments and their

new commitments outside the Company should be reported to the Chair of the Board as they arise.

The Board appoints its Chair on the basis of his knowledge, skills, experience and mediation strength.

#### **10. RESIGNATION**

Any Director may be dismissed at any time by the General Shareholders Meeting (without being entitled to any notice period or termination indemnity). Any Director may resign at any time by giving notice in writing to the Chair of the Board.

Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **11. TERM LIMITS**

Appointments are generally made for a term of maximum 4 years. When an independent Director has served on the Board for 3 consecutive terms, he will not be eligible for a 4<sup>th</sup> term in the capacity as an independent Director.

Before proposing any Director for re-election, the Board shall take into account the evaluations made by the Nomination & Remuneration Committee.

The mandate of Directors who are not re-appointed for a new term shall terminate immediately after the General Shareholders Meeting that decided on any re-appointment.

#### **12. DIRECTOR INDUCTION**

The Chair of the Board will ensure that newly appointed Directors receive an appropriate induction to ensure their early contribution to the Board. The induction process should help the Directors to familiarize with their responsibilities as Directors, and with the fundamentals of the Company, such as its governance, values, key policies, strategic plans, business challenges, finance, its significant financial, accounting and risk management issues and systems, its internal control systems, its compliance programs, its Executive Management Team and its independent auditors.

For Directors joining Board Committees, the induction provided shall encompass a description of their specific role and duties and any other information linked to the specific role of that Committee.

Directors should update their skills and improve their knowledge of the Company to fulfil their role both on the Board and on Board Committees.

## **C. ORGANISATION**

### **13. BOARD MEETINGS**

The Board shall meet as frequently as the interest of the Company shall require but in any case sufficiently regularly discharging its duties effectively and not less than 4 times per year. Meetings will be called by the Chair or the Director replacing him, whenever such is required by the interests of the Company, as well as upon a request to that effect made by 2 Directors.

As a principle, at least 5 days' notice of the Board meetings shall be given to the Board members. Where duly justified by emergency and by the corporate interest, the above notice period of 5 days may be waived by the unanimous consent of the Directors. If all Directors are present or represented at such meeting, they shall be deemed to have waived the above notice period and any other formalities which may apply (e.g. providing in advance documents to be decided upon by the Board).

The Board can meet by way of a conference call, video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Moreover, where duly justified by emergency and by the corporate interest, resolutions may be adopted, without a meeting, by the unanimous written consent of all Directors. However, this procedure may not be used for the approval of the annual accounts, the use of the authorised capital or any other matter excluded by the Articles of Association.

Each meeting is chaired by the Chair or, in his absence, by the Director appointed by the Board.

The Board can only validly deliberate and decide if at least half of its members are present or represented. A new meeting must be convened if such quorum is not attended. The second meeting can validly deliberate and decide on the items that were already on the agenda of the first meeting regardless of the number of Directors present or represented, to the extent at least 2 members of the Board are present. Any Director can represent more than one other Director. Resolutions are taken by a simple majority of the votes cast. The Chair of the Board shall not have a casting vote in the event of a tied vote.

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

### **14. AGENDA ITEMS FOR BOARD MEETINGS**

The Chair ensures that a detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the Directors approximately 5 days prior to each Board meeting.

The Chair sets the agenda, after consultation with the CEO.

## **15. MINUTES**

The Company Secretary drafts minutes of each meeting reflecting the issues which were discussed, the resolutions which were taken and, if any, the reservations which were voiced by dissenting Directors. The minutes will be submitted for approval at the next Board meeting.

## **16. CONFLICTS OF INTEREST**

Directors should arrange their personal and business affairs so as to avoid any direct or indirect conflicts of interest with the Company. Any Director shall abide with the rules on conflicts of interests as set forth in Schedule H ("Conflicts of interests").

## **17. REPRESENTATION OF THE COMPANY BY ITS DIRECTORS**

The Company is validly represented by the Board acting as a collegiate body, by any 2 of its Directors acting jointly or, for acts within the scope of their specific powers, by special representatives who are appointed by the Board.

### **D. PERFORMANCE EVALUATION OF THE BOARD**

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

- i. Assessing how the Board or the relevant Committee operates;
- ii. Checking that the important issues are suitably prepared and discussed;
- iii. Evaluating the actual contribution of each Director's work, the Director's presence at Board and Committee meetings and his constructive involvement in discussions and decision-making;
- iv. Checking the Board's or Committee's current composition against the Board's or Committee's desired composition.

The non-executive Directors shall annually assess their interaction with the Executive Management Team. In this respect, non-executive Directors shall meet at least once a year in absence of the CEO and the other executive Directors, if any. No formal Board decision can be taken at such meeting.

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 an appropriate balance of skills, knowledge and experience to be maintained on the Board. The same applies at the time of appointment or re-election of the Chairs (of the Board and of the Board Committees).

The Board shall act on the results of the performance evaluation by recognising its strengths and addressing its weaknesses. Where appropriate, this will involve proposing new members 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, its Committees and its individual Directors.

## **E. DIRECTOR REMUNERATION**

The level of remuneration should be sufficient to attract, retain and motivate Directors who have the profile determined by the Board.

Only the non-executive Directors (whether or not independent) shall 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. Upon advice of the Nomination and Remuneration Committee, the Board may propose to the General Shareholders Meeting to grant options or warrants in order to attract or retain non-executive Directors (whether or not independent) with the most relevant experience and expertise. Insofar as such a grant of options or warrants comprises a variable remuneration in the meaning of Article 554 of the BCC, such remuneration (and any other variable remuneration) shall be submitted for approval to the next Annual General Shareholders Meeting.

None of the executive Directors will receive any remuneration in consideration for their membership of the Board. All Directors (including those who are not independent) will in any event keep the warrants granted to them prior to the listing of the Company's shares on the regulated market of Euronext Brussels.

The Nomination and Remuneration Committee recommends the level of remuneration for independent Directors, subject to approval by the Board and, subsequently, by the General Shareholders Meeting. The Nomination and 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.

The remuneration package for the non-executive Directors (whether or not independent) approved by the General Shareholders Meeting of 8 June 2015 is made up of a fixed annual fee of € 20,000. The fee is supplemented with (i) a fixed annual fee of € 5,000 for membership of each Committee of the Board and (ii) a fixed annual fee of € 20,000 for Chairpersonship of the Board. Changes to these fees will be submitted to the General Shareholders Meeting for approval.

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

#### **F. ACCESS TO MANAGEMENT**

Non-executive members of the Board shall not intervene directly in the operations of the Company other than in exceptional circumstances and on a “needs only” basis.

Non-executive members of the Board ordinarily shall not give instructions to, or interfere with the activities of Company management and employees. By exception to this principle, members of the Audit Committee shall at all times have full and free access to the CFO and subject to prior notice to the CEO and/or CFO, any other employee to whom they may require access in order to carry out their responsibilities (without the CEO and/or CFO, however, having the right to oversee or attend such meetings).

#### **G. ACCESS TO ADVISORS**

The Board, and the Board Committees shall have the authority, at the reasonable expense of the Company, to retain such independent accounting, financial, legal and other advisors as they deem necessary or appropriate to carry out their mandate after informing and consultation with the Chair of the Board with due consideration for the financial consequences for the Company.

#### **H. DUTY OF CONFIDENTIALITY**

Directors have access to all corporate information needed to fulfil their fiduciary duties. This right of access is subject, in the case of personal information concerning employees of the Company, to applicable privacy laws. The Company Secretary is available to supply the requested information.

In order to facilitate open discussion both in Board and Committee meetings, Board members undertake to maintain the confidentiality of information and deliberations, in accordance with legal requirements.

Members of the Board shall treat all information with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Board, made public or otherwise made available to third parties, even after resignation from the Board, unless it has been made public by the Company or it has been established that the information is already in the public domain.

#### **I. BOARD INTERACTION WITH INSTITUTIONAL INVESTORS, ANALYSTS, MEDIA, CUSTOMERS AND MEMBERS OF THE PUBLIC**

Except where directed by the CEO of the Company, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only 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 should decline to comment and ask them to call the Company’s CEO.

## **J. CORPORATE GOVERNANCE IN THE ANNUAL REPORT**

As set out in Articles 95 and 96 of the BCC, each year the Board draws up a report in which they account for their management over the last year.

In accordance with Article 96, §2 of the BCC, this report shall also contain the Corporate Governance Statement describing all relevant corporate governance events that took place during the year under review. This Corporate Governance Statement shall include at least the elements listed in such Article 96, §2 of the BCC. If the Company does not fully comply with one or more provisions of the CGC, it shall explain the reasons thereof in this Corporate Governance Statement.

## **V. CHAIR OF THE BOARD**

The Chair of the Board provides leadership to the Board in discharging its duties and acts as liaison among the shareholders, the Board and the Company. The Chair is responsible for taking the lead, supported by the Board Committees as necessary, in all initiatives that are designed to ensure the Board functions effectively and in line with the Terms of Reference as set forth in Schedule B (“Role and Responsibilities of the Chair of the Board”).

The Chair is appointed by the Board on the basis of his knowledge, skills, experience and mediation strength. The Chair and the CEO should not be the same individual. If the Board envisages appointing the former CEO as Chair, it should carefully consider the positive and negative aspects in favour of such a decision and disclose in the Corporate Governance Statement why such appointment is in the best interest of the Company.

## **VI. SECRETARY OF THE BOARD**

The Board appoints a Company Secretary, who assists and advises the Board, the Chair of the Board, the Chairs of the Board Committees and all Board members and members of the Executive Management Team in exercising their general and specific roles and duties.

The core responsibilities of the Company Secretary include (i) ensuring that the Company’s corporate bodies comply with their requirements under the law, the Articles of Association and internal rules and procedures, including those laid down in this Corporate Governance Charter, (ii) organising the General Shareholders Meetings, (iii) acting as secretary of the General Shareholders Meetings, the Board and the Executive Management Team; and (iv) 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, as well as 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 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 its responsibilities. Individual Directors should have access to the Secretary. The Board can decide to replace the Secretary at any time.

## **VII. COMMITTEES OF THE BOARD**

### **A. ROLE**

A substantial portion of the analysis and preparatory work of the Board is done by standing Board Committees. The decision-making remains within the collegiate responsibility of the Board, the Committees have an advisory function. They assist the Board in specific areas, which they cover in appropriate detail and upon which they make recommendations to the Board.

### **B. COMMITTEES – TERMS OF REFERENCE**

The Board will have at all times an Audit Committee, a Nomination & Remuneration Committee and a Scientific Committee. The Board may, from time to time, establish or maintain additional Committees as necessary or appropriate.

The role and responsibility of each Board Committee are determined by the Board and laid down in its Terms of Reference. The Chair of the Board shall ensure that the Board appoints Committee members in accordance with the Terms of Reference of each Board Committee.

The Terms of Reference of the Audit Committee are set out in Schedule F (“Audit Committee – Terms of Reference”). The Terms of Reference of the Nomination & Remuneration Committee are set out in in Schedule E (“Nomination & Remuneration Committee – Terms of Reference”). The Terms of Reference of the Scientific Committee are set out in Schedule G (“Scientific committee – Terms of Reference”).

The Board details the composition and operation of each Committee in the Corporate Governance Statement.

## **VIII. EXECUTIVE MANAGEMENT**

The Company has opted for a “one-tier” governance structure. The Board has established an Executive Management Team, which is an advisory Committee to the Board, and therefore does not constitute a Management Board (*‘comité de direction’*) within the meaning of Article 524*bis* of the BCC.

The Executive Management Team discusses and consults with the Board and advises the Board on the day-to-day management of the Company in accordance with the Company’s values, strategy, general policy and budget, as determined by the Board.

Each of the members of the Executive Management Team has individually been made 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 a delegation from the Board; in the case of the other Executive Management Team members, by way of a delegation from the CEO). Each member of the Executive Management Team is individually competent to decide on the matters so delegated to it. However, each member of the Executive Management Team shall cause any decision to be taken by it in respect of the powers so delegated which could be material to the Company's day-to-day management (prior to taking such decision) to be presented and discussed at a meeting of the Executive Management Team.

The Board has determined the Terms of Reference of the Executive Management Team (as set forth in Schedule C ("Executive Management Team – Terms of reference") to this Charter) and of the CEO in particular (as set forth in Schedule D ("Role and Responsibilities of the CEO and the Members of the Executive Management Team") to this Charter), detailing their respective role, responsibilities, duties, and powers, and for the Executive Management Team, its composition and operation.

## **IX. RULES PREVENTING MARKET ABUSE**

A Code des Transactions et de Communication, attached hereto as Schedule I ("Code des Transactions et de Communication"), ensures that all employees, and particularly the members of the Board and of the Executive Management Team do not abuse, nor place themselves under suspicion of abusing, and maintain the confidentiality of inside information 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 resolutions.

To implement and monitor this Code des Transactions et de Communication, the Board shall designate one or more Compliance Officers who shall have the rights and obligations set out in the Code des Transactions et de Communication.

## **X. MISCELLANEOUS**

### **A. CHANGES TO THE CORPORATE GOVERNANCE CHARTER**

The Board may amend this Corporate Governance Charter from time to time without prior notice. It may also decide at any time to deviate from this Corporate Governance Charter subject to disclosure thereof in the Corporate Governance Statement of the annual Board 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.

### **B. PRIORITY**

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

**C. GOVERNING LAW AND JURISDICTION**

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

The Courts of Liège (Belgium) shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Corporate Governance Charter.



## Schedule A INDEPENDENCE STANDARDS

Each member of the Board, executive and non-executive alike, is required, in his capacity as a Board member (i) to be guided exclusively by the overall goal of the Company's Board which is to perpetuate a successful business; (ii) to maintain in all circumstances his independence of judgement, decision and action; and (iii) to clearly express his concern, and as the case may be, have recorded in the minutes his opposition to a proposal submitted to the Board if he is of the opinion that such proposal may harm the interests of the Company.

Besides this individual obligation imposed on each of its members, the Board determines whether there are relationships or circumstances which are likely to affect, or could appear to affect, the independence of non-executive Board members.

An independent Director is one whom the Board affirmatively determines has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board determines each Director's independence in accordance with the independence criteria set out by Article 526ter of the BCC. The Board will determine the independence of any Director with a relationship to the Company that is not covered by these standards and the Company will disclose such determinations in the Company's Corporate Governance Statement in its annual report.

A Director will be presumed to be independent if the following requirements are satisfied:

- The Director has not been an executive member of the Board, member of the executive Committee (*'comité de direction'*) (should such corporate body be created) or daily manager in the Company (or an affiliate of the Company, if any), during a term of 5 years prior to his election;
- The Director has not been a non-executive Director for more than 3 consecutive terms or during a period of more than 12 years;
- The Director has not been a member of the managerial staff (*'personnel de direction'*) of the Company (or an affiliate of the Company, if any) during a term of 3 years prior to his election;
  
- The Director does not receive and has not received any remuneration or other significant financial advantage from the Company (or an affiliate of the Company, if any), other than the profit share (*' tantièmes '*) and remuneration received in his capacity as a non-executive Director or as a member of the supervisory body;
  
- The Director does not own any corporate rights that represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company. If the Director has corporate rights which represent less than 10%, then:
  - o Such rights, taken together with rights in the Company held by companies over which the Director has control, may not represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company; or

o The disposal of these shares, or the exercise of the rights attached thereto, may not be subject to agreements or unilateral commitments entered into by the Director.

The Director in any case cannot represent a shareholder who falls under the conditions set forth in this criterion;

- The Director does not and, during the past financial year, did not, have a significant business relationship with the Company (or an affiliate of the Company, if any), either directly or as a partner, shareholder, member of the Board or member of the managerial staff (*'personnel de direction'*) of a company or of a person that maintains such a relationship;

- The Director is not and has not been at any time during the past 3 years, a partner or an employee of the Company's current or former Statutory Auditor or of a company or person affiliated therewith;

- The Director is not an executive Director of another company in which an executive Director of the Company is a non-executive Director or a member of the supervisory body, and has no other significant ties with executive Directors of the Company through his involvement in other companies or bodies;

- The Director's spouse, unmarried legal partner and relatives (via birth or marriage) up to the second degree do not act as a member of the Board, member of the executive Committee (*'comité de direction'*) (should such corporate body be created) or daily manager or member of the managerial staff (*'personnel de direction'*) in the Company (or an affiliate of the Company, if any), and do not meet one of the criteria set out above.

Each independent Director who ceases to satisfy the requirements of independency shall immediately inform the Chair of the Board hereof.

The Company shall disclose in the Corporate Governance Statement in its annual report which Directors it considers to be independent.

## **Schedule B ROLE AND RESPONSIBILITIES OF THE CHAIR OF THE BOARD**

### **A. ROLE**

The Chair of the Board provides leadership to the Board in discharging its duties and acts as liaison among the shareholders, the Board and the Company. He is responsible for taking the lead, supported by the Board Committees as necessary, in all initiatives that are designed to ensure the Board functions effectively and in line with the present Corporate Governance Charter.

The Chair of the Board is appointed by the Board on the basis of his knowledge, skills, experience and mediation strength. The Chair of the Board and the CEO should not be the same individual. If the Board envisages appointing the former CEO as Chair, it should carefully consider the positive and negative aspects in favour of such a decision and disclose in the Corporate Governance Statement why such appointment is in the best interest of the Company.

### **B. RESPONSIBILITIES**

Without prejudice to the responsibilities of the Board as a whole, the Chair of the Board, in particular:

- i. Monitors whether the Company's governance, including its legal structure, is appropriate to accommodate the needs of the Company, and proposes changes to the Board when necessary;
- ii. Monitors compliance with this Corporate Governance Charter;
- iii. Calls for Board meetings and chairs the Board meetings (in his absence the meeting is presided by the Director appointed by the Board);
- iv. Takes the necessary measures for providing an answer to relevant questions from shareholders, including the relevant questions raised on the annual report or on the items on the agenda of a General Shareholders Meeting;
- v. Presides the General Shareholders Meetings (in his absence the meeting is presided by the Director appointed by the Board);
- vi. Following consultation with the Chair of the Nomination & Remuneration Committee, the Chair of the Board gives recommendations as to the composition of the Board and of the Committees created by the Board (not being the Executive Management Team); and
- vii. Coordinates the activities of the Board and ensures an efficient activity of the Board, e.g.: he prepares and defines the agenda in close collaboration with the CEO; he ensures that the Directors receive timely, precise, clear, and complete information related to the resolutions to be taken; he ensures that sufficient time is arranged to discuss complex and/or delicate issues and organizes informational pre-meetings if required; in general, he ensures that the Directors, in the exercise of their mandate, exercise the highest level of integrity;
- viii. Establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

## **Schedule C EXECUTIVE MANAGEMENT TEAM – TERMS OF REFERENCE**

### **A. INTRODUCTION**

By decision of 15 June 2015, the Board has established an “Executive Management Team”, which is an advisory Committee to the Board, and which therefore does not constitute a Management Board (*‘comité de direction’*) within the meaning of Article 524*bis* of the BCC. The Executive Management Team is guided by the following Terms of Reference.

### **B. ROLE**

Without prejudice to more specific provisions herein, the Executive Management Team shall discuss and consult with the Board and advise the Board on the day-to-day management of the Company in accordance with the Company’s values, strategy, general policy and budget, as determined by the Board.

Each of the members of the Executive Management Team has individually been made 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 a delegation from the Board; in the case of the other Executive Management Team members, by way of a delegation from the CEO).

Each member of the Executive Management Team shall individually be competent to decide on the matters so delegated to it. However, each member of the Executive Management Team shall cause any decision to be taken by it in respect of the powers so delegated which could be material to the Company’s day-to-day management, to be discussed (prior to taking such decision) to be presented and discussed at a meeting of the Executive Management Team or with the CEO directly.

The Executive Management Team shall, in preparation for each meeting of the Board, prepare a report to the Board on the day-to-day management of the Company, to be presented by the CEO to the Board. Such report shall contain a summary of all material resolutions discussed in the Executive Management Team over the relevant period.

The Executive Management Team and its members have the duty to respect all relevant legal provisions, the Articles of Association of the Company and this Charter.

While exercising its advisory responsibilities, the Executive Management Team shall be guided by the interests of the Company and its business.

### **C. RESPONSIBILITIES**

The Executive Management Team as a Committee shall not have any powers or responsibilities other than acting as an advisory Committee to the Board. The existence of the Executive Management Team shall in no way influence the powers and responsibilities of the individual members of the Executive Management Team.

#### **D. COMPOSITION AND APPOINTMENT OF THE MEMBERS**

At least all executive Directors are member of the Executive Management Team. The Executive Management Team is composed of the following members (to the extent such positions are filled):

- i. The Chief Executive Officer (who shall be the Chair of the Executive Management Team);
- ii. The Chief Financial Officer;
- iii. The Chief Legal Officer of the Company.
- iv. The Chief Communications Officer of the Company
- v. The Public Relations Officer
- vi. The Chief Business Development Officer of the Company
- vii. The Chief Product Officer of the Company
- viii. The Chief Strategy Officer of the Company
- ix. The Chief Marketing Officer of the Company

The Chair of the Executive Management Team may invite certain members of the management of Company to parts of one or more Executive Management Team meetings, on ad hoc basis. All members of the Executive Management Team are deemed to take part in the executive management of the Company. A list of the members of the executive management is disclosed in the Corporate Governance Statement.

The members of the Executive Management Team must (i) have a sound knowledge of the Company's business and organization structure; (ii) be able to demonstrate relevant knowledge at an executive management level of the tasks allocated to them; and (iii) have an appropriate understanding of the applicable legal rules with respect to such tasks.

#### **E. APPOINTMENT, DURATION AND DISMISSAL**

The Board appoints the members of the Executive Management Team based on the recommendations made by the Nomination and Remuneration Committee.

Members of the Executive Management Team may be legal entities or physical persons. A member of the Executive Management Team that is a legal entity, must appoint a single permanent representative which will represent it at Executive Management Team meetings.

The Board decides upon the duration of the mandate of each member of the Executive Management Team at the time of their appointment.

The members of the Executive Management Team may be dismissed by decision of the Board at any time.

The remuneration, duration and the conditions of dismissal of Executive Management Team members will be governed by the agreement entered into between each member of the Executive Management Team and the Company (upon approval by the Board based on the

recommendations made by the Nomination and Remuneration Committee) in respect of their function within the Company.

## **F. ORGANISATION OF THE EXECUTIVE MANAGEMENT TEAM**

### **1. DIVISION OF TASKS**

Each of the members of the Executive Management Team shall be individually responsible for the tasks delegated to it by the Chief Executive Officer (or, in the case of the Chief Executive Officer, by the Board).

The Executive Management Team as such shall not have any powers or responsibilities other than acting as an advisory Committee to the Board.

### **2. MEETING SCHEDULE, AGENDA AND NOTICE**

The meetings of the Executive Management Team shall be held on a regular basis and as a rule at least once a month.

Extraordinary meetings may be convened at all times by the Chair or at the request of at least 2 members of the Executive Management Team.

The Chair sets the date for meetings, in dialogue with the other members of the Executive Management Team.

The Chair convenes by e-mail, phone or ordinary mail (upon at least 2 business days' prior notice, or, in the case of urgency, to be justified in the notification, upon less than 2 business days' prior notice), prepares and chairs the meeting and sets its agenda. In the case the Chair is unable to attend, the most senior member (in age) shall chair the meeting. The notice shall include the agenda.

Each member may demand that items indicated by it be included in the agenda (and each member is obligated to so include all material resolutions with which it is faced in connection with the powers delegated to it). The agenda items should be sent to the Chair (or the Secretary, if the Executive Management Team has appointed a Secretary among its members) two (2) business days prior to the meeting, or, in the case of urgently called meetings as referred to above, at least twelve (12) hours prior to the meeting. Such item(s) shall be included in the agenda, or shall, as the case may be, be sent to the members by e-mail, fax or mail prior to the meeting.

If all members are present or represented at the meeting, they unanimously waive the right to receive a notice for the meeting.

### **3. QUORUM**

The Executive Management Team shall constitute a quorum when all members have been invited and the majority of the members are present or represented at the meeting. Absent

members may give a power of attorney to another member of the Executive Management Team. Members may attend the meeting physically or by telephone or video conference.

The absent members shall be notified of the discussions in their absence by the Chair (or the Secretary, if the Executive Management Team has appointed a Secretary among its members).

The Executive Management Team shall decide by unanimity on its report to the Board. If unanimity cannot be reached (e.g., in respect of whether a certain matter should be included in a report to the Board, or in respect of the substance of the reporting on a particular matter), the relevant matter shall be separately reported to the Board, with a summary of each of the positions within the Executive Management Team on the relevant matter. The Chair may invite third parties to attend a meeting of the Executive Management Team as an observer.

#### **4. MINUTES**

Minutes of the meetings of the Executive Management Team shall be kept by the Chair (or the Secretary, if the Executive Management Team has appointed a Secretary among its members). They must be signed by all members present or represented at the meeting and will be kept on file at the Company's offices. A copy of the draft minutes shall be submitted to all members prior to the next meeting. The minutes shall be deemed approved if no member lodges any objections at the next following meeting subsequent to the delivery of the draft minutes.

#### **5. CONFLICTS OF INTEREST**

Each member of the Executive Management Team should arrange his personal and business affairs so as to avoid conflicts of interest with the Company. Any member of the Executive Management Team shall abide by the rules on conflicts of interests as set forth in Schedule H ("Conflicts of interests").

#### **6. REPRESENTATION**

The Executive Management Team shall be represented at the Board through the report delivered by the CEO and approved unanimously by the Executive Management Team.

The Executive Management Team as such shall have no powers to represent the Company.

#### **7. REMUNERATION**

In accordance with Article 554, section 3 of the BCC, which applies to agreements with the CEO or any other member of the Executive Management Team entered into or extended as from 3 May 2010, any such agreement that includes a provision that provides for an amount of severance pay exceeding 12 months of remuneration, or, upon motivated advice of the Remuneration Committee, exceeding 18 months, must be submitted for prior approval to the next Annual General Shareholders Meeting. At least 30 days prior to the publication of the convening notice of the next Annual General Shareholders Meeting, the proposal to grant such higher termination indemnity must be communicated to the works council (or to other designated bodies

or persons representing the employees, in the case such council does not exist; i.e., the employee representatives in the committee for prevention and protection in the workplace or, in the absence of such committee, to the trade union delegation), which then may give its advice to the Annual General Shareholders Meeting, at the latest on the day of the publication of the convening notice. Such advice must be published on the website of the Company.

The remuneration of the members of the Executive Management Team is decided by the Board based on recommendations made by the Nomination & Remuneration Committee, further to a recommendation by the CEO to the Committee (except in the case his own remuneration is concerned).

The level and structure of the remuneration of members of the Executive Management Team shall be such that qualified and expert professionals can be recruited, retained and motivated, taking into account the nature and scope of their individual responsibilities.

An appropriate proportion of the remuneration package of a member of the Executive Management Team shall be structured so as to link rewards to corporate and individual performance (as set out in more detail below), thereby aligning the interest of the member of the Executive Management Team with the interest of the Company and its shareholders.

The criteria for granting variable remuneration to the CEO or any other member of the Executive Management Team shall be included in the contractual or other provisions governing the legal relationship between that person and the Company. The variable remuneration can only be paid out if the criteria for the reference period have been met. If the aforementioned obligations are not complied with, the variable remuneration may not be taken into account for calculating the termination indemnity.

Furthermore it is specified that, pursuant to Articles 22 and 22 of the Articles of Association of the Company, the following rules included in the BCC shall not apply:

- i. variable remuneration for the CEO or any other member of the Executive Management Team must be based at least for 25% on performance criteria measured over a period of at least 2 years and for (another) 25% on performance criteria measured over a period of at least 3 years (these rules do not apply if the variable remuneration represents 25% or less of the total annual remuneration, whereby total annual remuneration refers to the total amount of the basic salary, the variable remuneration, pension payments and other remuneration components); and
- ii. shares can only be definitively acquired by the Directors, the CEO or any other member of the Executive Management Team, and stock options or other rights to acquire shares can only be exercised by the Directors, the CEO or any other member of the Executive Management Team at the earliest 3 years after they have been granted to them.

## **8. DISCLOSURE OF REMUNERATION**

The Company's Corporate Governance Statement shall include a separate remuneration report, in accordance with Article 96, §3 of the BCC, prepared by the Nomination and Remuneration Committee, for the financial year ending on 31 December 2015, to be published in 2016 (and any financial year thereafter). Such remuneration report will at least include information set out under this Section 8.

The remuneration report shall disclose, for the relevant financial year, the procedure applied to:

- i. develop the remuneration policy applied in respect of the CEO and the members of the Executive Management Team;
- ii. determine the remuneration of the CEO and the other members of the Executive Management Team, on an individual basis.

In addition, the remuneration report shall include a declaration on the remuneration policy, for the relevant financial year, applied in respect of the CEO and the other members of the Executive Management Team, which shall at least include:

- i. the principles whereupon the remuneration was based, with shall also set out the relation between remuneration and performance;
- ii. the relative importance of the different components of the remuneration;
- iii. the characteristics of the performance bonuses in shares, further to the stock option plans and all other rights to acquire shares;
- iv. information on the remuneration policy for the 2 following financial years.

If the Company has materially deviated from its remuneration policy during the financial reported year, it should be explained in the remuneration report.

If any member of the Executive Management Team is also a member of the Board of the Company, the remuneration report shall disclose information of the amount of the remuneration received pursuant to such mandate.

Where members of the Executive Management Team are eligible for incentives based on the performance of the Company, the criteria for the evaluation of performance achieved against targets as well as the term of evaluation should be disclosed in the remuneration report. This information should be provided in such a way that it does not disclose any confidential information regarding the Company's strategy. Pursuant to Article 96, §3, 6° of the BCC, the remuneration report in the Company's Corporate Governance Statement shall include on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly to the CEO This information shall be disclosed broken down per category, as follows:

- i. Base remuneration;
- ii. Variable remuneration: for all incentives indicating the form in which this variable remuneration is paid;
- iii. Pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and
- iv. Other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components.

- v. If the Company has materially deviated from its remuneration policy during the financial reported year, it should be explained in the remuneration report.

Pursuant to Article 96, §3, 7° of the BCC, the remuneration report in the Company's Corporate Governance Statement shall include, on an aggregate basis, the amount of the remuneration and other benefits granted directly or indirectly to the members of the Executive Management Team other than the CEO. This information shall be disclosed broken down per category, as follows:

- i. Base remuneration;
- ii. Variable remuneration: for all incentives indicating the form in which this variable remuneration is paid;
- iii. Pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and
- iv. Other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components.

If the Company has materially deviated from its remuneration policy during the financial reported year, it should be explained in the remuneration report.

For the CEO and the other members of the Executive Management Team, the remuneration report shall disclose:

- i. on an individual basis, the number and key features of the granted, exercised or lapsed shares, share options or any other right to acquire shares, granted during the year.
- ii. on an individual basis, the provisions regarding severance payments in respect of such persons.

In the event the CEO or any other member of the Executive Management Team leaves the Company, the remuneration report shall disclose the justification and the decision of the Board, upon proposal of the Nomination and Remuneration Committee, whether the persons concerned are considered for a severance payment, and the basis of the calculation thereof.

The remuneration report shall disclose the Company's rights to reclaim variable remuneration of the persons referred to above, in the event such remunerations would have been granted on the basis of incorrect financial information.

## **9. ACCESS TO ADVISORS**

The Executive Management Team shall have the authority, at the reasonable expense of the Company, to retain such independent accounting, financial, legal and other advisors as they deem necessary or appropriate to carry out their mandate after informing and consultation with the Chair of the Executive Management Team with due consideration for the financial consequences for the Company.

## **10. INTERACTION BETWEEN BOARD MEMBERS AND THE EXECUTIVE MANAGEMENT TEAM**

The members of the Executive Management Team shall timely provide the Board with information, if possible in writing, on all facts and developments concerning the Company which the Board may need to function as required and to properly carry out its duties.

The CEO or, in the event the CEO should not be able to attend a meeting of the Board, another representative of the Executive Management Team) shall report at every meeting of the Board on the material deliberations of the previous meeting(s) of the Executive Management Team, on the basis of the report approved unanimously by the Executive Management Team, or including specifically the matters on which such unanimity could not be reached. The Board may at any time invite members of the Executive Management Team to attend the meetings of the Board to discuss with them the policy they pursue.

The Executive Management Team shall draft at the end of each fiscal year a proposal for a budget and a business plan of the Company for the next financial year. The budget proposal and business plan shall be submitted to the Board by the Chair of the Executive Management Team no later than 1 December each year. The Board may invite the members of the Executive Management Team to Board meetings to discuss with them the contents of the budget and business plan and to request additional information.

The Executive Management Team shall conduct an annual evaluation to determine whether it is fulfilling its powers and responsibilities in an effective manner. The Chair of the Executive Management Team shall discuss the results of the evaluation with the Board.

The Executive Management Team should act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Executive Management Team.

#### **11. DUTY OF CONFIDENTIALITY**

Members of the Executive Management Team shall treat all information and documentation acquired within the framework of their position as member of the Executive Management Team with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Board or Executive Management Team, made public or otherwise made available to third parties, even after resignation from the Executive Management Team, unless it has been made public to the Company or it has been established that the information is already in the public domain.

#### **12. DISCHARGE**

Immediately following the deliberation on the Annual Activity Report presented by the Executive Management Team to the Board, the Board shall deliberate and decide on the discharge to be granted to each member of the Executive Management Team for the performance of its mandate during the past financial year.

This discharge will only be valid if the information provided by the Executive Management Team is correct and complete.

## **Schedule D    ROLE AND RESPONSIBILITIES OF THE CEO AND THE MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM**

### **A.        ROLE**

Each of the members of the Executive Management Team has individually been made responsible for certain aspects of the day-to-day management of the Company and its business. The CEO has been delegated by the Board by way of delegation of the daily management and a number of specific powers, with the power to sub-delegate. The other Executive Management Team members have been delegated by the CEO by way of sub-delegation of a number of specific tasks and powers.

In general, the role of the CEO and, to the extent they have been delegated thereto by the CEO, the other relevant members of the Executive Management Team, consists of proposing and implementing a corporate strategy, taking into account the Company's values, strategy, key policies, plans and budgets as set out by the Board.

While exercising its advisory responsibilities, each member of the Executive Management Team shall be guided by the interests of the Company and its business and take into account the relevant interests of all the stakeholders of the Company, including the Company's shareholders. Each member of the Executive Management Team is responsible for the quality of his own performance.

While exercising its role, each member of the Executive Management Team has the duty to respect all relevant legal provisions, the Articles of Association and this Corporate Governance Charter.

### **B.        RESPONSIBILITIES**

The Board has delegated the powers of daily management to the CEO. This includes in particular:

- The running of the Company;
- Putting 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;
- Presenting a complete, timely, reliable and accurate preparation of the Company's financial statements to the Board, in accordance with the applicable accounting standards and policies of the Company;
- Preparing the Company's required disclosure of the financial statements and other material financial and non-financial information;
- Presenting the Board with a balanced and understandable assessment of the Company's financial situation;
- Providing the Board in due time with all information necessary for the Board to carry out its duties; and
- Being responsible and accountable to the Board for the discharge of its responsibilities.

In addition, on 15 June 2015, the Board has delegated the following specific decision-making and representation powers, with the power of sub-delegation, to the CEO:

- In respect of receipt of deliveries:
  1. Taking delivery of correspondence and of any shipment, including, but not limited to, any parcel, telegram or registered letter with or without indicated value addressed to the Company. Collecting these from any post office, as well as from any company or person; filing any complaints in these matters and signing all necessary documents
  2. Establishing and signing the declarations concerning customs and excise and performing all formalities in this respect.
  
- In respect of representation:
  3. Representing the Company in the organisations it is a member of.
  4. Representing the Company vis-à-vis any authority; filing petitions, objections and appeals against the decisions of these authorities; signing all relevant documents and in general performing any act in this respect.
  5. Representing the Company vis-à-vis any organization regarding social security.
  6. Representing the Company vis-à-vis any organization regarding tax.
  7. Representing the Company vis-à-vis any trade union.
  
- In respect of general management:
  8. Carrying on the daily correspondence of the Company.
  9. Commercialising the Company's products and services, to the exclusion, however, of the granting of any right of use with regard to the Company's intellectual property (except research licenses and intellectual property rights that are not related to the Company's core business); determining and negotiating the conditions thereof.
  10. Responding to any invitation for tenders by public or private organizations. Performing all relevant acts in this respect.
  11. In general, obtaining a right to use (by way of, amongst others, purchase, lease, ...) the movable goods necessary or useful for the activities of the Company including, but not limited to, supplies, equipment, motor vehicles, services and raw materials (included signing of order documents and invoices).
  12. Authorizing other employees to obtain a right to use (by way of, amongst others, purchase, lease, ...) movable goods of the following type: lab consumables, office and kitchen consumables, lab equipment and furniture, lab refurbishment, IT hardware, IT software, office furniture, library, travel & training, general expenses for an amount not exceeding €2.500 per transaction.
  
- In respect of financial operations:
  13. Claiming and collecting the amounts due to the Company and giving acquittal therefore.
  14. Endorsing and protesting the cheques made out to the benefit of the Company, but only with a view to payment into the current account of the Company.

15. Transferring amounts from a '*chèque postal*' account or bank account of the Company to another '*chèque postal*' account or bank account of the Company.
  16. Paying the amounts due by the Company, in principal, interest and accessories.
  17. Signing and endorsing drafts as a drawer, on customers of the Company.
  18. Negotiating drafts from clients for the benefit of the Company.
  19. Entering into and terminating agreements relating to the lease of safe deposit boxes or to the deposit of securities with a bank.
  20. Opening and closing the bank and '*chèque postal*' accounts and changing the names thereof.
- In respect of rent:
    21. Entering into, authorizing, changing, renewing and terminating lease agreements for a period of less than 9 years as lessor or lessee and in general take any measures regarding lease agreements.
  - In respect of insurances:
    22. Entering into insurance agreements and making and handling claims under these agreements.
    23. Entering into and signing car insurance policies.
  - In respect of employment:
    24. Appointing and terminating the employees of or self-employed consultants to the Company, excluding the CEO and any person reporting directly to the CEO; determining their powers, remuneration, including the grant of fringe benefits, excluding, however, the grant of such fringe benefits to all or a substantial part of the employees of the Company, as well as all other conditions of hiring, employment and termination.
    25. Appointing and discharging the distributors, agents and sales representatives; determining the conditions under which they act in this capacity.
    26. Entering into and terminating agreements with service providers; determining the conditions of these agreements.
  - In respect of litigation:
    27. Appointing the lawyers and advisors, in view of the legal representation of the Company before all jurisdictions and arbitral tribunals; entering into transactions, arrangements and settlements; taking all conservatory measures in this respect.
    28. Representing the Company as a creditor in any bankruptcy as well as in similar circumstances; fixing the claims and confirming their legitimacy; accepting, declining and filing appeal against settlement propositions, and performing all necessary acts in relation thereto.
  - In respect of delegation:
    29. Delegating one or more of these powers to members of staff or to other persons.

With regard to the abovementioned specific decision-making and representation powers delegated to the CEO, the following limitations apply:

- The exercise of the powers mentioned above (to the exclusion, however, of the powers mentioned under 3 through 6, 8, 14, 19, 22, and 23) may not have a foreseeable cost impact on the Company which is in excess of €500,000 per act or transaction.
- The limitation mentioned in the previous paragraph may not be avoided by separating an act or transaction into separate acts or transactions which individually do not exceed the threshold set out above, but which, taken together, exceed this threshold.  
The powers mentioned above may not be used with respect to any transaction between the Company and any of its officers, Directors, employees or affiliates thereof.
- The powers mentioned above may not be used in respect of any act or decision which is reserved to the Board by the Articles of Association (as amended from time to time) or by law.

### **C. EVALUATION**

The Nomination & Remuneration Committee will conduct an annual review of the CEO's and the other Executive Management Team members' performance. The Board will review the Nomination & Remuneration Committee's report in order to ensure that the CEO and the other members of the Executive Management Team are providing the best leadership for the Company in the long-and short-term.

The Nomination & Remuneration Committee should make a review of management's plans for succession. The entire Board will work with the Nomination & Remuneration Committee to nominate and evaluate potential successors to the CEO. The CEO should at all time make available his recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **Schedule E NOMINATION & REMUNERATION COMMITTEE – TERMS OF REFERENCE**

### **A. INTRODUCTION**

“Large” listed companies (as defined in Article 526quater of the BCC) 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 established up a Remuneration Committee. As the Remuneration Committee also performs the task of a nomination committee, it is called the Nomination and Remuneration Committee.

The CEO shall have the right to attend the meetings of the Nomination and Remuneration Committee in an advisory and non-voting capacity on matters other than those concerning him. The Nomination and Remuneration Committee will elect a Chair from amongst its members.

### **B. ROLE**

The role of the Nomination and Remuneration Committee shall be to assist the Board in all matters:

- i. relating to the selection and recommendation of qualified candidates for membership of the Board;
- ii. relating to the nomination of the CEO;
- iii. relating to the nomination of the members of the Executive Management Team, other than the CEO, upon proposal by the CEO;
- iv. relating to the remuneration of independent Directors;
- v. relating to the remuneration of the CEO;
- vi. relating to the remuneration of the members of the Executive Management Team, other than the CEO, upon proposal by the CEO; and
- vii. on which the Board or the Chair of the Board requests the Nomination and Remuneration Committee’s advice.

Additionally, with regard to matters relating to remuneration, except with respect to such areas which are reserved by law to the Board, the Nomination and Remuneration Committee shall at least have the following tasks: Corporate Governance Statement:

- i. preparing the remuneration report (which is to be included in the Board of Director’s Corporate Governance Statement);
- ii. explaining its remuneration report at the Annual General Shareholders Meeting.

It will report to the Board on the execution of these tasks on a regular basis.

### **C. RESPONSIBILITIES**

The Nomination & Remuneration Committee is responsible for the following nomination duties:

- i. Drafting appointment procedures for board members, the CEO and the other members of the Executive Management Team;

- ii. Making recommendations to the Board regarding the appointment of Directors (taking into account that the final decision on the appointment of Board members lies with the General Shareholders Meeting);
- iii. Reviewing recommendations by the CEO regarding the appointment of members of the Executive Management Team, and making these recommendations to the Board;
- iv. Periodically assessing the size and composition of the Board, the Executive Management Team and the other Board Committees and making recommendations to the Board with regard to any changes;
- v. Identifying and nominating, for the approval of the Board, candidates to fill vacancies on the Board as they arise;
- vi. Advising on proposals for appointment made by relevant parties, including management and shareholders.
- vii. The Nomination & Remuneration Committee is responsible for the following remuneration duties:
- viii. Making proposals to the Board on the remuneration policy for Directors, the CEO and other members of the Executive Management Team, as well as, where appropriate, on the resulting proposals to be submitted by the Board to the shareholders;
- ix. Making recommendations to the Board on the appropriate individual remuneration (in respect of both amount and composition of the remuneration) of the Directors, the CEO and the other members of the Executive Management Team, including on variable remuneration (bonuses) and long-term incentives whether stock-related or not, in the form of stock options or other financial instruments) and on any severance payments, as well as, where appropriate, on the resulting proposals to be submitted by the Board to the shareholders);
- x. Preparing the remuneration report (which is to be included in the Board of Director's Corporate Governance Statement and which includes at least the information provided in Article 96, §3 of the BCC) as well as explain such report at the at the Annual General Shareholders Meeting;
- xi. Making proposals regarding early termination of executive Directors, independent Directors, the CEO and any other members of the Executive Management Team, in respect of which it could be recommended to award, in the event of early termination of the agreement, a severance pay that exceeds 18 months basic and variable remuneration;

In the case the Nomination and Remuneration Committee made recommendations to the Board on the appropriate individual remuneration (in respect of both amount and composition of the remuneration) of the independent Directors whereby a remuneration is granted which comprises a variable remuneration in the meaning of Article 554 of the BCC, such remuneration shall be submitted for approval to the next Annual General Shareholders Meeting;

- i. making recommendations to the Board on the appropriate individual remuneration (in respect of both amount and composition of the remuneration) of the Directors charged with special assignments, unless, in the latter case, if urgency does not so allow, and the resulting proposals to be submitted by the Board to the shareholders;

- ii. drawing up the policy regarding stock option plans and oversee the general policy for the granting of stock options to employees, Directors and members of the Executive Management Team. The CEO shall propose the identity of the beneficiaries and the number of warrants to be allocated to each of them (individually in the case of Board members and members of the Executive Management Team, and individually or per category in the case of other employees) to the Nomination & Remuneration Committee. The Nomination & Remuneration Committee shall evaluate such proposals. In the case of grants to the CEO, initial proposal shall immediately be made by the Committee itself;
- iii. ensuring that remuneration levels take into account risks involved, demands and time requirements of each role, and relevant industry benchmarks.

#### **D. COMPOSITION**

The Nomination and Remuneration Committee shall consist of not less than 3 Directors, or such greater number as determined by the Board at any time. All members shall be non-executive Directors and at least a majority of its members shall be independent.

The Nomination and Remuneration Committee shall have the necessary expertise with regard to the remuneration policy, which condition is fulfilled if at least one member has had a higher education and has had at least 3 years of experience in personnel management or in the field of remuneration of Directors and managers

The CEO shall have the right to attend the meetings of the Nomination & Remuneration Committee in an advisory and non-voting capacity on matters other than those concerning him.

The term of the mandate of a Nomination & Remuneration Committee member shall never exceed the term of the appointment as a Board member of the relevant Director.

#### **E. CHAIR**

The Nomination & Remuneration Committee appoint one of its members as Chair. If the Chair of the Board is a non-executive Director, he will in principle chair the Nomination & Remuneration Committee (if he is a member of the Nomination & Remuneration Committee), unless another non-executive Director would be elected as Chair by the members of the Nomination & Remuneration Committee or unless when dealing with the designation of his successor.

It is the responsibility of the Chair, supported, where appropriate, by the CEO, to ensure that the Committee: (i) understands its role and responsibilities; (ii) possesses all the information and internal or external support it requires to fulfil its tasks properly; and (iii) fulfils all its responsibilities in accordance with this Charter.

#### **F. MEETINGS**

The number of meetings of the Nomination & Remuneration Committee shall be determined by the Chair with a view to allowing the Nomination & Remuneration Committee to fulfil its

obligations, whenever it deems it necessary to carry out its duties, but shall not be less than 2 per calendar year.

A meeting of the Nomination & Remuneration Committee shall not be in quorum unless a majority of its members is present or represented.

The Chair is entitled to convene a Nomination & Remuneration Committee meeting. All meetings shall be conducted according to an agenda, drawn up by the Chair, in consultation with the relevant members of the Nomination & Remuneration Committee and of the Executive Management Team. The Nomination & Remuneration Committee shall consider proposals made by relevant parties, including management and shareholders. In particular, the CEO shall be entitled to submit proposals to, and adequately be consulted, especially when dealing with issues related to executive Directors or other members of the Executive Management Team.

The meeting may also be organised by means of video-or teleconference.

The Chair shall keep minutes of each meeting of the Nomination & Remuneration Committee. The minutes shall be signed by the Committee Chair, as well as at least one other member of the Nomination & Remuneration Committee.

#### **G. ATTENDANCE**

Members of the Board, members of the Executive Management Team or independent consultants may attend, in a non-voting capacity, all or part of any meeting of the Nomination & Remuneration Committee, upon invitation by the Chair.

The CEO shall attend each meeting of the Nomination & Remuneration Committee in an advisory and non-voting capacity. However, he shall leave the meeting when the topics discussed relate directly to him.

#### **H. CONSENSUS DECISIONS**

The Nomination & Remuneration Committee shall decide on its proposals by consensus.

Whenever the Nomination & Remuneration Committee is unable to reach a consensus on a matter, the Chair shall refer the matter to the Board, stating the various positions of the Nomination & Remuneration Committee members.

#### **I. OBJECTIVITY**

No Committee member shall be present at (the part of) the meeting at which his appointment, re-appointment or removal is discussed, at which his own performance is evaluated or at which his individual level of remuneration is discussed, and will not be involved in any decision regarding those matters.

## **J. REPORTING AND EVALUATION**

The Chair of the Nomination & Remuneration Committee shall report to the Board subsequent to each Committee meeting on its activities, conclusions, recommendations and resolutions.

The Chair of the Nomination & Remuneration Committee shall, on an annual basis, report to the Board on the Nomination & Remuneration Committee's performance.

Every 3 years, the Nomination & Remuneration Committee reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board.

## **Schedule F    AUDIT COMMITTEE – TERMS OF REFERENCE**

### **A.     INTRODUCTION**

“Large” listed companies (as defined in Article 526bis of the BCC) are legally obliged to establish an audit committee within their Board. Although the Company currently does not qualify as a “large” company, the Board has voluntarily established an Audit Committee.

The Audit Committee shall be governed by Article 526bis of the BCC, the following Terms of Reference, as well as the Articles of Association of the Company, where relevant.

### **B.     ROLE**

The role of the Audit Committee shall be 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.

### **C.     RESPONSIBILITIES**

The Audit Committee is responsible for the following duties in respect of the monitoring of the financial reporting process:

- i.     Discussing significant financial reporting issues regarding the financial reporting with both the relevant members of the Executive Management Team and the external auditor;
- ii.    Monitoring the integrity of the financial information (interim and year-end) before release and assessing whether it is correct, complete, and consistent with information known to the Committee members and reflects relevant and consistent accounting principles used by the Company; review shall be based on an audit program adopted by the Audit Committee;
- iii.   Reviewing the periodic information before it is published, as well as assessing the relevance and the consistent character of the accounting standards used, the impact of new accounting rules, the treatment of “estimated entries” in the annual accounts, forecasts, work of the internal auditor (if such function is set up) and the Statutory Auditor in the matter;
- iv.    Reviewing and discussing with the relevant members of the Executive Management Team, the Board and the Statutory Auditor, the financial annual reports prepared by the Statutory Auditor, including statements in management interviews, analyses and disagreements between the Statutory Auditor and the management;
- v.     Discussing with the relevant members of the Executive Management Team, the Board and the Statutory Auditor and verifying the periodic financial information before it is published;
- vi.    Discussing with the relevant members of the Executive Management Team, the Board and the Statutory Auditor the Company’s annual audited financial

- statements, related disclosures and (after the Audit Committee has been informed thereof by the executive management) the quality as well as acceptability of the accounting principles applied in the financial statements, including new or changed accounting policies, accounting policies relating to significant financial statement items, significant estimates, judgements, uncertainties or methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches; and;
- vii. Discussing with the relevant members of the Executive Management Team, and reviewing reports of the Statutory Auditor on: (i) significant accounting principles, policies and practices followed by the Company; (ii) significant accounting and reporting issues, including significant and unusual transactions and recent professional and regulatory pronouncements where the accounting treatment may be open to different approaches, and understanding their impact on the financial statements; and (iii) other significant written communication between the Statutory Auditor and the Board or one of its members, for instance management letters;
  - viii. Discussing with the relevant members of the Executive Management Team and the Board the main financial risks for the Company and the internal control systems which were installed by the Board in order to assess that the main risks are being properly identified, managed and brought to its attention, including the internal control and risk management systems;
  - ix. Reviewing the assessment of the Statutory Auditor relating to the adequacy of the Company's system of internal controls related to financial accounting and reporting; this includes the qualitative judgements expressed by the Statutory Auditor as to the accounting principles employed, related disclosures by the Company, and the conclusions expressed in the financial reporting of the Company;
  - x. Reviewing all significant litigation or potential litigation in which the Company is or may be engaged, as well as the anticipated or potential impact of such litigation on the Company.

The Audit Committee is responsible for the following duties in respect of the monitoring of the effectiveness of the Company's internal control and risk management systems:

- i. reviewing, at least once a year, the effectiveness of the internal control and risk management systems set up by the relevant members of the Executive Management Team, with a view to ensuring that the main risks (including those relating to fraud and compliance with existing legislation and regulations) are properly identified, managed, and disclosed according to the framework approved by the Board;
- ii. reviewing the statements included in the annual report on internal control and risk management;
- iii. reviewing the specific arrangements made by which the Company's personnel may, in confidence, raise concerns about possible improprieties in financial reporting or other matters; arrangements shall be made for proportioned and independent investigation of such matters, for appropriate follow-up action and arrangements whereby the Company's personnel can inform the Chair of the Audit Committee directly;

- iv. reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; obtaining regular updates from management regarding compliance matters;
- v. reviewing the findings of any examinations by regulatory agencies and any auditor observations, together with management's responses;
- vi. reviewing and approving all related party transactions on a timely basis;
- vii. reviewing the process for communicating the code of conduct to the Company's personnel, and for monitoring compliance therewith;
- viii. reviewing the statements included in the Corporate Governance Statement on internal control and risk management. The Audit Committee is responsible for the following duties in respect of internal audit: each year, the Audit Committee shall assess the necessity for setting up an internal audit function, and if needed so, shall work out the necessary procedures.

The Audit Committee is responsible for the following duties in respect of external audit:

- i. making recommendations to the Board on the selection, appointment, and reappointment of the Statutory Auditor and the terms of its engagement (taking into account that the final decision on the appointment of the Statutory Auditor shall be taken by the General Shareholders Meeting upon proposal of the Board);
- ii. reviewing and confirming the independence of the Statutory Auditor, in particular in view of the provisions of the BCC and the Royal Decree of 4 April 2003, as amended from time to time; the Committee shall obtain a report from the Statutory Auditor describing all relationships between the external auditor (and other persons with whom it has entered into a professional co-operation relationship) and the Company and confirming the Statutory Auditor's independence from the Company; as the case may be, the Audit Committee and the Statutory Auditor will discuss the risks relating to the Statutory Auditor's independence and the safety measures taken to decrease these risks;
- iii. reviewing the nature and extent of non-audit services (including fees and terms thereof) performed by the Statutory Auditor, as reported every year to the Audit Committee by the Statutory Auditor; the Committee shall set and apply a formal policy, which will be proposed to the Board, specifying the types of non-audit services, taking into account the specific requirements under the BCC, a) excluded; b) permissible after review by the Audit Committee; c) permissible without referral to the Audit Committee;
- iv. receiving and reviewing the Statutory Auditor's work programme (scope and approach); the Audit Committee shall coordinate audit efforts with internal audit if such internal audit is set up; the Audit Committee shall obtain timely information about the issues arising from the external audit;
- v. reviewing the effectiveness of the external audit process and the responsiveness of management to the recommendations made in the Statutory Auditor's management letter;
- vi. investigating issues that give rise to the resignation of the Statutory Auditor and make recommendations as to any required action;

- vii. meeting on a regular basis (at least 2 times per year) with the Statutory Auditor to discuss any matters that the Audit Committee or Statutory Auditor believes should be discussed privately.

The Audit Committee is responsible for the following duties in respect of reporting:

- i. regularly (and at least when the Board sets up the annual accounts, and where applicable the condensed financial statements intended for publication) reporting to the Board on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken;
- ii. providing an open avenue of communication between internal audit if such function is set up, the Statutory Auditor, and the Board and acting as principal contact point, to the extent applicable, for the internal and Statutory Auditor; assuring direct and unrestricted access to the Chair of the Audit Committee and the Chair of the Board for the head of internal audit (if such function is set up) and the external auditor.

Finally, the Audit Committee has the following other responsibilities:

- i. performing other activities related to these Terms of Reference as requested by the Board;
- ii. instituting and overseeing special investigations relating to financial reporting as needed;
- iii. reviewing and assessing the adequacy of the Audit Committee's Terms of Reference annually, requesting Board approval for proposed changes;
- iv. evaluating the Audit Committee's and individual members' performance on a regular basis and recommending any necessary changes to the Board;
- v. maintaining an effective working relationship with executive management, acting as the principal point of contact for the Statutory Auditor and the internal audit (if such function is set up) to guarantee they have free access to the Board and ensuring that the Statutory Auditor and the internal audit (if such function is set up) have direct and unrestricted access to the Chair of the Audit Committee and the Chair of the Board.

#### **D. COMPOSITION**

The Audit Committee shall consist of not less than 3 Directors, or such greater number as determined by the Board at any time.

All members shall be non-executive Directors and if possible at least a majority of its members shall be independent Directors. In any event, at least one of its members should be an independent Director. At least one of its members has expertise in the field of accounting and audit.

The Board should satisfy itself that the Audit Committee has sufficient relevant expertise, notably in accounting, auditing and finance, to fulfil its role effectively.

The term of the mandate of an Audit Committee member shall never exceed the term of the appointment as a Board member of the relevant Director.

#### **E. CHAIR**

The Chair of the Board shall not be the Chair of the Audit Committee. The Audit Committee members appoint one of them as Committee Chair.

#### **F. MEETINGS**

The number of meetings of the Audit Committee shall be determined by the Committee Chair with a view to allowing the Audit Committee to fulfil its obligations, but shall not be less than 4 per calendar year.

A meeting of the Audit Committee shall not be quorate unless a majority of its members is present or represented.

The Chair is entitled to convene an Audit Committee meeting. All meetings shall be conducted according to an agenda, drawn up by the Chair, in consultation with the relevant members of the Audit Committee and the relevant members of the Executive Management Team. The Audit Committee shall consider proposals made by relevant parties, including management and shareholders.

The meeting may also be organized by means of video-or teleconference.

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

#### **G. ATTENDANCE**

The CEO and the CFO may attend each meeting of the Audit Committee in an advisory and non-voting capacity. The Audit Committee shall decide whether, and if so, when the Executive employees responsible for finance, accounting, and treasury matters, the internal auditor (if such function is set up) and/or the Statutory Auditor should attend its meetings.

At least 2 times per year, the Audit Committee shall meet the internal auditor (if such function is set up) and the Statutory Auditor to discuss matters relating to its Terms of Reference and any issue arising from the audit process, and in particular any material weaknesses in the internal control.

#### **H. CONSENSUS DECISIONS**

The Audit Committee shall decide on its proposals by consensus.

Whenever the Audit Committee is unable to reach a consensus on a matter, the Chair shall refer the matter to the Board, stating the various positions of the Audit Committee members.

**I. OBJECTIVITY**

No Committee member shall be present at the meeting at which his own performance is evaluated and will not be involved in any decision regarding those matters.

**J. ACCESS**

The Audit Committee shall have a right of access to all of the Company's records, physical properties, management, staff, statutory and internal auditors (if such function is set up), attorneys, and consultants. In general, the Audit Committee may request specific audits or studies by external and/or internal auditors as needed.

**K. REPORTING AND EVALUATION**

The Chair of the Audit Committee shall report to the Board subsequent to each Committee meeting on its activities, conclusions, recommendations and resolutions. The Chair of the Audit Committee shall, on an annual basis, report to the Board on the Audit Committee's performance.

**L. LIMITATION OF THE AUDIT COMMITTEE'S ROLE**

While the Audit Committee has the responsibilities and powers set forth in these Terms of Reference, 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 Statutory Auditor.

## **Schedule G SCIENTIFIC COMMITTEE – TERMS OF REFERENCE**

### **A. ROLE AND TASKS**

The role of the Scientific Committee shall be to assist the Board of Directors with the following matters:

- i. providing strategic guidance for program development;
- i. providing a neutral view on the progress of technology and science;
- ii. providing external validation of intellectual property or new technologies; and
- iii. providing *ad hoc* advice on scientific matters at the request of the Board.

It will report to the Board on the execution of these tasks on a regular basis.

### **B. COMPOSITION**

The Scientific Committee shall consist of not less than 3 members (who do not have to be member of the Board of Directors), or such greater number as determined by the Board of Directors at any time.

### **C. CHAIR**

The Scientific Committee will elect a Chair from amongst its members.

It is the responsibility of the Chair to ensure that the Committee: (i) understands its role and responsibilities; (ii) possesses all the information and internal or external support it requires to fulfil its tasks properly; and (iii) fulfils all its tasks in accordance with this Charter.

### **D. MEETINGS**

The number of meetings of the Scientific Committee shall be determined by the Chair with a view to allowing the Scientific Committee to fulfil its tasks, whenever it deems it necessary to carry out its duties, but shall not be less than 2 per calendar year.

A meeting of the Scientific Committee shall not be in quorum unless a majority of its members is present or represented.

The Chair is entitled to convene a Scientific Committee meeting. All meetings shall be conducted according to an agenda, drawn up by the Chair.

The meeting may also be organised by means of video-or teleconference.

The Chair shall keep minutes of each meeting of the Scientific Committee. The minutes shall be signed by the Chair, as well as at least one other member of the Scientific Committee.

### **E. ATTENDANCE**

Members of the Board, members of the Executive Management Team or independent consultants may attend, in a non-voting capacity, all or part of any meeting of the Scientific Committee, upon invitation by the Chair.

**F. CONSENSUS DECISIONS**

The Scientific Committee shall decide on its proposals by consensus.

Whenever the Scientific Committee is unable to reach a consensus on a matter, the Chair shall refer the matter to the Board, stating the various positions of the Scientific Committee members.

**G. REPORTING AND EVALUATION**

The Chair of the Scientific Committee shall report to the Board subsequent to each Committee meeting on its activities, conclusions, recommendations and resolutions.

The Chair of the Scientific Committee shall, on an annual basis, report to the Board on the Scientific Committee's performance.

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

## Schedule H CONFLICTS OF INTERESTS

The Board and the Executive Management Team shall function independently of any instruction of a third party outside the Company.

Each member of the Board and of the Executive Management Team shall:

- i. exercise his function in a sound, sensible and ethical manner;
- ii. not request or accept, either directly or indirectly, substantial donations for his benefit;
- iii. not provide third parties with unjustified advantages at the expense of the Company;
- iv. not seize, either directly or indirectly, an advantage or business opportunity to which the Company is entitled, for its own benefit;
- v. respect the confidentiality of information and deliberation during and after its membership of the Board and/or of the Executive Management Team.

A member of the Board or Executive Management Team shall in any event have a conflict of interests if:

- i. he has a personal financial interest in a company with which the Company intends to enter into a transaction;
- ii. under applicable law, including the rules of any stock market on which the Company's shares may be listed, such conflict of interests exists or is deemed to exist.

Each member of the Board (or of the Executive Management Team) shall immediately report any potential conflict of interests to the Chair of the Board (or of the Executive Management Team) and to the other members of the Board (or of the Executive Management Team). The member concerned must provide the Chair of the Board (or of the Executive Management Team) and the other members of the Board (or of the Executive Management Team) with all information relevant to the conflict. The Chair of the Board (or of the Executive Management Team) will determine whether a reported (potential) conflict of interests qualifies as a conflict of interests.

If such is the case, a member of the Board (or of the Executive Management Team), as the case may be, shall not participate in the discussions or decision-taking process of the Board (or of the Executive Management Team) on a subject or transaction in relation to which he has a conflict of interests with the Company. Such transaction, if approved, must be concluded on terms customary in the sector concerned and be approved, in the case of a decision by the Executive Management Team, by the Board.

Without prejudice to the foregoing, each member of the Board who is faced, directly or indirectly, with a financial interest conflicting with a decision or transaction within the competence of the Board, within the meaning of Article 523, or Article 524ter of the BCC, as the case may be, shall inform the other members of the Board thereof prior to the deliberations. Its declaration, as well as its justification, must be included in the minutes of the relevant meeting of the Board. The relevant member of the Board must inform the Statutory Auditor of its conflict of interest. With a view to publication in the annual report, the Board must set out in its minutes the nature of the

decision or transaction and the justification thereof, including the financial consequences of the decision or transaction for the Company.

In the case of a conflict of interest within the Executive Management Team, a copy of the minutes of the Executive Management Team shall be submitted to the Board at its next meeting.

The Chair shall procure that all these transactions involving conflicts of interests at the level of the Board will be referred to in the annual report, with a declaration that the provisions in this Corporate Governance Charter have been complied with.

## **Schedule I    CODE DES TRANSACTIONS ET DE COMMUNICATION**

On 15 June 2015, the Board approved a Code des Transactions et de Communication which will be made available on the website of the Company, separately from this Corporate Governance Charter.