

FNG NV

Limited liability company ("*Société Anonyme/Naamloze Vennootschap*") incorporated under the laws of Belgium

Public company within the meaning of article 438 of the Belgian Company Code ("*ayant fait appel public à l'épargne/die een openbaar beroep doet of heeft gedaan op het spaarwezen*")

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Register of Legal Entities Antwerp, section Mechelen

FNG

Corporate Governance Charter

of 22 June 2018

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INTRODUCTION

On 12 March 2009 the Belgian Corporate Governance Committee published its 2009 edition of the Belgian Code on Corporate Governance (the "**CGC**"), which is a code of best practice applying to listed companies on non-binding basis ("*comply or explain*" approach).

As a company incorporated under Belgian law and listed on Euronext Brussels, FNG NV ("**FNG**" or the "**Company**") has adopted the CGC as its reference code and is committed to follow the nine corporate governance principles set forth in the CGC, *i.e.* :

- i. The company shall adopt a clear governance structure.
- ii. The company shall have an effective and efficient board that takes decisions in the corporate interest.
- iii. All directors shall demonstrate integrity and commitment.
- iv. The company shall have a rigorous and transparent procedure for the appointment and evaluation of the board and its members.
- v. The board of directors shall set up specialised committees.
- vi. The company shall define a clear executive management structure.
- vii. The company shall remunerate directors and executive managers fairly and responsibly.
- viii. The company shall enter into a dialogue with shareholders and potential shareholders based on a mutual understanding of objectives and concerns.
- ix. The company shall ensure adequate disclosure of its corporate governance.

As required by CGC, FNG has prepared this Corporate Governance Charter in order to describe the main aspects of its corporate governance policy. This Corporate Governance Charter was approved by the Company's board of directors in this meeting of 22 June 2018 and shall be updated from time to time.

However, the board of directors is of the opinion that it is justified that the Company does not adhere to certain principles of the Belgian Code on Corporate Governance, considering the nature and size of the Company. Such deviations include:

- directors are appointed for a duration of 6 years instead of 4 years;
- at the date of this Corporate Governance Charter, the Company only has two independent directors; it is the intention to appoint an additional independent director at short notice;
- the Nomination and Remuneration Committee is currently composed of two non-executive directors and the CEO;
- the Audit Committee is currently composed of two non-executive directors;
- the Audit Committee should meet at least two (2) times a year instead of four (4) times a year.

The Corporate Governance Charter is available, together with FNG's Articles of Association, on FNG's website (www.fng.eu) and will be updated as required in case of any change made to FNG's corporate governance policy.

In addition, FNG will provide, in its annual report, a corporate governance statement containing factual information relating to its corporate governance policy, including changes to the Corporate Governance Charter together with relevant events that took place during the year under review. If necessary, the board of directors shall provide explanations where it has deviated from the provisions laid down in the Corporate Governance Charter or the Corporate Governance Code and why it has done so.

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1. STRUCTURE AND ORGANIZATION OF FNG

1.1 General information and legal structure

FNG NV is a limited liability company ("*société anonyme*" / "*naamloze vennootschap*") organized and existing under the laws of Belgium. It is a public company within the meaning of article 438 of the Belgian Company Code ("*société ayant fait appel public à l'épargne*" / "*vennootschap die een openbaar beroep doet of heeft gedaan op het spaarwezen*").

FNG is listed on Euronext Brussels (FNG) since 29 June 2018.

FNG is a fast-growing Benelux fashion group with activities across the entire European continent. FNG designs and distributes clothing and shoes for ladies, kids and gentlemen through its own concept stores at high-end locations in Belgium and the Netherlands, but also via a network of multi brand stores in Belgium and abroad.

1.2 Governance structure

The Company has opted for a “two-tier” governance structure. As a result, the Company's principal governance structure is based on a distinction between:

- the Company's executive committee ("*comité de direction*" / "*directiecomité*") (hereafter, the "**Executive Committee**") within the meaning of Article 524*bis* of the Belgian Company Code, which is in charge of the management (including daily management) of the Company, within the framework of the general strategy defined by, and under the supervision of, the Company's board of directors;
- the Company's board of directors (hereafter, the "**Board**"), which is in charge of the definition of the Company's general strategy, the supervision of the Executive Committee and the exercise of the specific powers attributed to it by the Belgian Company Code, the Articles of Association and this Corporate Governance Charter.

The Executive Committee's terms of reference including its responsibilities, duties, composition and operation are set out hereafter in Article 6.2.

The Board's terms of reference including its responsibilities, duties, composition and operation are set out hereafter in Article 3.

The Board appointed a Chairman (who must always be different from the CEO(s) or CFO) and can appoint a Company Secretary whose responsibilities are described hereafter in respectively Articles 4 and 5.

By decision of the Board, a person who must not be a director may be given a particular mandate to act on behalf of the Company.

The Board has delegated the Company's daily management to one managing director ("*administrateur délégué*" / "*gedelegeerd bestuurder*"), which is also referred to as the CEO. His powers are further described in Article 6.1.

The Board has established an Audit Committee and a Nomination and Remuneration Committee. These Committees have an advisory function. They assist the Board in specific situations it being understood that the final decision making power remains with the Board. Their functioning is described hereafter in Articles 7.2 and 7.1.

1.3 Website of the Company

The Board ensures that all information which the Company is obliged to publish pursuant to legal provisions (including the Belgian Company Code) and this Corporate Governance Charter is posted on and updated in a clearly recognizable part of the Company's website separate from the commercial information.

Any amendments to this Corporate Governance Charter must be promptly reflected in the Company's website. The domain name of the Company's website is www.fng.eu.

2. SHARE CAPITAL AND SHAREHOLDERS

2.1 Share capital

The detailed number of FNG shares currently outstanding and the amount of FNG issued and paid-up capital can be found on www.fng.eu.

2.2 Form of shares

FNG shares can be held as either registered shares or dematerialized shares at the discretion of shareholders.

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

Any shareholder can request the conversion of his shares into another form at its own expenses.

Any requests should be made in writing and sent by ordinary mail, duly signed to the registered office of FNG for the attention of the Chairman of the Board.

2.3 Identity of the major shareholders of the Company and description of their voting rights, special control rights and any shareholders agreements, if any

Each natural or legal person acquiring or transferring shares of FNG, is required to notify FNG and the Financial Services and Markets Authority in Belgium ("*Autoriteit voor financiële diensten en markten*" / "*Autorité des services et marchés financiers*") ("**FSMA**") each time their shareholding crosses, as a result of an acquisition or transfer, a threshold of five percent (5 %) or a multiple of five percent (5 %).

To the best of the Company's knowledge, based on (i) the transparency declarations most recently received by the Company pursuant to Title II of the law of 2 May 2007 and the Royal Decree of 14 February 2008 on the disclosure of major holdings and (ii) information available from private placement, the shareholders' structure is as follows on 22 June 2018:

Shareholder	Number of shares	% outstanding shares
Mr Dieter Penninckx, Ms Anja Maes, Mr Emmanuel Bracke and Mr Emiel Lathouwers, directly and indirectly via Greenway District BVBA and 3NG NV	82,111,389	58.3%
Saffelberg Investments NV	455,424	5.66%
G.C. Pilon, indirectly via FIPH B.V.	525,000	5.91%
Belfius Insurance NV	381,250	4.74%
Holding Biloba BVBA	5,239,687	4.45%
VMF Luxembourg S.A.	5,160,000	4.27%
Torfs Import Service NV	456,607	5.14%
FNG STAK	574,500	7.14%
PMV-Tina Comm. V	468,750	5.22%

This overview is based on the amount of shares as notified to the AFM (Dutch financial markets regulator) as at 22 June 2018, and could therefore not be accurate anymore.

The number of shares and percentage of voting rights attached to the shares set out in the table concern the number of shares and percentage of voting rights attached to the shares as indicated in, and at the time of, the most recent transparency notification of the relevant principal shareholder. Therefore the number of shares and percentage of voting rights attached to the shares set out in the table may not correspond to the actual number of shares and the actual percentage of voting rights attached to the shares on 22 June 2018. In addition, even if a relevant shareholder did not transfer any of its shares since the transparency notification to the AFM, the number of shares and percentage of voting rights attached to the shares set out in the table could have been impacted by the reverse stock split and any other capital movements of FNG NV, and could therefore not be accurate anymore. Each shareholder is entitled to one vote per share.

The above table is kept up-to-date based on the most recent transparency notification to the Company. It is recommended to always consult the most recent overview on the Company's website www.fng.eu.

2.4 Any other direct or indirect relationship between the Company, its subsidiaries and its major shareholders

No direct or indirect relationships exist(ed) between the Company or one of its subsidiaries and its major shareholders.

2.5 Authorised capital

The general meeting of 5 June 2018 has granted the Board the authority to increase the Company's share capital, in one or more transactions, for a total amount of seven hundred eighteen thousand three hundred ninety-one euros thirty-six cent (EUR 718,391.36), for a period of five years as of the publication of the

general meeting's decision in the annexes to the Belgian State Gazette. This authority may also be used for capital increases by way of incorporation of reserves.

In addition to the issue of shares, convertible bonds and warrants, capital increases resolved upon by the Board may also occur by way of issue of non-voting shares, shares with preferential right to dividends and liquidation proceeds and of convertible shares which convert in a larger or smaller number of ordinary shares under certain circumstances.

This authority can be renewed.

Within the framework of the authorised capital, the Board is authorised to limit or cancel the preferential right of the existing shareholders, in the interest of the Company and in accordance with the provisions of Article 595 and following of the Belgian Company Code. The Board may cancel or limit the preferential right to the benefit of one or more specific persons, who are not employees of the Company or its subsidiaries.

On the occasion of a capital increase within the limits of the authorised capital, the Board can order the payment of a share premium. In this case, the premium must be booked in a non-distributable reserve which can only be decreased or cancelled pursuant to a decision of the general meeting at which the quorum and majority required to amend the Articles of Association are met.

Further, the general meeting of 5 June 2018 has expressly authorised the Board to increase the share capital in one or more transactions, following a notification by the FSMA that the latter has been informed of a public takeover bid on the Company's securities, by means of contributions in cash with cancellation or limitation of the existing shareholders' preferential right or by contributions in kind and/or by issuing securities carrying voting rights, which may or may not represent the share capital, or by issuing securities giving right to subscribe to or acquire such securities, whether or not these securities are offered to the existing shareholders in proportion to the share capital represented by their shares. The transaction needs to comply with the requirements of Article 607, second paragraph, 2° of the Belgian Company Code. This authorisation is granted for a period of three years as from 5 June 2018 and can be renewed.

2.6 Share redemption

The Company has been authorised by means of a decision of the general meeting of 5 June 2018, to acquire its own shares or bonus shares or certificates which relate thereto, or to divest them in accordance with the Articles 620 and following of the Company Code.

The general meeting of 5 June 2018 has explicitly granted the authority to the Board, in accordance with the provisions of Article 620 and following of the Company Code, to acquire by sale or exchange its own shares, bonus shares or certificates which relate thereto or to divest those, without the requirement of a prior decision of the general meeting, either directly or through a person which acts in its own name but on behalf of the company, or through a direct subsidiary in the meaning of Article 627 of the Company Code, if the acquisition or divestment is necessary to avoid a threatening serious disadvantage for the company. This power is valid for a period of three years as from the publication of this decision in the Annexes to the Belgian State Gazette, i.e. until 5 June 2021, and can be renewed.

The general meeting of 5 June 2018 has moreover granted the Board the power to acquire by sale or exchange the maximum number of shares, bonus shares or certificates which relate thereto as set forth in Article 620§1 and 622§2 of the Company Code, and to divest those, either directly or through a person which acts in its own name but on behalf of the company, or through a direct subsidiary in the meaning of Article 627 of the Company Code, against a consideration which cannot be lower than 50% of the average closing share price over the ten (10) preceding trading days and cannot be higher than 150% of the average closing share price over the ten (10) preceding trading days. This power is valid for a period of 5 years as from the resolution of the general meeting of 5 June 2018, i.e. until 5 June 2023.

The Board is furthermore also empowered in accordance with Article 630§1 of the Company Code, to take a pledge, directly or indirectly through a subsidiary or a person who acts in its own name but on behalf of that subsidiary or the company, as stipulated in Article 630§1 of the Company Code, on its own shares, bonus shares or certificates which relate thereto and this in accordance with the conditions and duration for acquisition and divestment of own shares set forth above. In accordance with Article 620§2 of the Company Code the company should, for as long as it is listed or as long as its securities are admitted to an MTF as defined in Article 2, 4° of the Law of 2 August 2002 on the supervision of the financial sector and the financial services, to the extent that it works with at least one daily trading and with a central order book, inform the FSMA of acquisitions that it is considering by application of Article 620§1 of the Company Code. The Board is furthermore empowered to divest shares or certificates of the company in accordance with Article 622§2, 1° of the Company Code.

2.7 Existing stock option plans

The Company has not yet set up any stock option plans for its employees, directors and consultants, as well as for persons who in the scope of their professional activity have made themselves useful to the Company.

2.8 Shareholders' Meetings

FNG encourages its shareholders to participate in its Shareholders' Meetings. In order to facilitate this, voting may take place by proxy voting. Agendas and all other relevant information are available on the Company's website in advance of Shareholders' Meetings.

The annual Shareholders' Meeting of FNG is held each year on the third Friday of May at 11 AM. If this date is a public holiday, the meeting is held at the next working day.

For all further information regarding Shareholders' Meetings (including organization, quorum and majority requirement) reference is made to the Articles of Association of the Company and the specific section of the Company's website describing the shareholders' rights to participate and vote at the Shareholders' Meeting and containing a timetable on periodic information and Shareholders' Meetings.

Notices of all Shareholders' Meetings and all related documents, such as specific Board and auditor's report, are published on www.fng.eu.

2.9 Agenda of the Shareholders' Meetings

One or more shareholders together representing at least 3% of the share capital of the Company, may place additional items to be discussed on the agenda, and submit draft resolutions on subjects for discussion

included or to be included in the agenda, but only at the time of the first calling of a Shareholders' Meeting.

The shareholder must prove that, on the date on which he submits a draft resolution or topic, he holds the required share capital and this by submitting a certificate of registration of the relevant shares in the share register of the Company or by submitting a certificate from a recognised demat institution or clearing institution showing that the corresponding number of dematerialised shares is registered in his name in the account.

The Company should receive the written request for inclusion in the agenda, and the text of the topics to be discussed and/or draft resolutions, along with proof that the applicant holds at least 3% of the capital, as described above, at the email address to be communicated in the notice or by post at its registered office, no later than on the 22nd day preceding the Shareholders' Meeting. The shareholder(s) must specify a postal or e-mail address in their request. The Company shall confirm the receipt of the request within 48 hours of receipt.

If the Company has received additional issues and/or proposed resolutions, it shall publish the new agenda and the draft resolutions as per the statutory requirements no later than on the 15th day preceding the date of the Shareholders' Meeting. A completed proxy form, and if applicable, a completed form to vote by letter shall in such case be provided on the Company website.

The proposed topics and/or draft resolutions may only be considered at the relevant Shareholders' Meeting if the relevant shareholder(s) still hold(s) 3% of the capital on the record date and this has been registered, as per Article 536§2 of the Company Code, on the record date, i.e. on the fourteenth day preceding the Shareholders' Meeting (at 12 PM (Belgian time)).

3. FNG'S BOARD OF DIRECTORS

3.1 Role, powers and responsibilities of the Board

3.1.1 Role

As provided by article 521 of the Belgian Company Code, the Company is headed by a Board acting as a collegial 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 decides on the Company's values and strategy, its risk appetite and key policies. The Board needs to make sure that the Company's disposes of the necessary financial and human resources to meet its objectives.

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

3.1.2 Responsibilities

The Company has opted for a “two-tier” governance structure. Therefore, the principal governance structure of the Company is based on the distinction between the Executive Committee and the Board, as set out under Article 1.2.

In light of the above and as provided for by article 522 of the Belgian Company Code, the Board is the ultimate decision-making body in the Company, except with respect to such matters which are reserved to the Shareholders’ Meeting by law or by the Company’s Articles of Association or are delegated to the Executive Committee.

Such powers and responsibilities include among others :

- to approve and oversee the Company’s principal objectives and strategy, as recommended by the CEO;
- to appoint and dismiss the members of the managing director(s), the CEO, the CFO and the Company Secretary and the members of the Executive Committee;
- to determine the power and responsibilities of the managing director(s), the CEO and the CFO;
- to appoint and dismiss members of the board committees and their chairmen;
- to review and approve the annual and six-monthly, financial and consolidated statements, and where required by law, present those to the Shareholders’ Meeting;
- to review, evaluate and approve the Company’s budget, forecasts, major resource allocation and capital investments;
- to monitor and evaluate the Company’s performance against the strategic goals, plans and budgets set;
- to determine the structure, the powers and duties of the Executive Committee and to supervise and evaluate the Executive Committee’s performance;
- to convene the Shareholders’ Meetings and submit resolutions for approval; and
- to oversee the Company’s policy with respect to corporate communications, it being understood that communication on behalf of the Company to the outside world is reserved to the Chairman of the Board and the CEO, with the right of delegation.

With respect to its monitoring responsibilities the Board shall :

- review executive management performance and the realisation of the Company’s strategy;
- monitor and review the effectiveness of the board committees;
- take all necessary measures to ensure 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;
- approve a framework of internal control and risk management set up by the executive management;
- review the implementation of this framework, taking into account the review made by the Audit Committee;
- supervise the performance of the external auditor and supervise the internal audit function, taking into account the review made by the Audit Committee; and
- describe the main features of the Company’s internal control and risk management systems.

Any system of internal control and risk management will be in line with the size of the Company.

3.2 Composition of the Board - appointment - duration

The Company is managed by the Board, consisting of a minimum of three (3) directors, who can be individuals or legal entities and who need not be shareholders. The directors are appointed for a term of no more than six (6) years by the Shareholders' Meeting, which is entitled to dismiss them at any time. The actual number of directors and their term may vary depending on the needs of the Company.

Pursuant to Article 13 of the Articles of Association, the majority of the directors is appointed amongst the candidates proposed by Dieter Penninckx and/or Anja Maes and/or Emmanuel Bracke (each a "**Principal Shareholder**"), for as long as they, individually or jointly, directly or indirectly through affiliated persons or companies within the meaning of Article 11 of the Belgian Company Code, hold at least fifteen percent (15%) of the shares in the Company. If the Principal Shareholders (individually or jointly, directly or indirectly through affiliated persons or companies within the meaning of Article 11 of the Belgian Company Code) hold less than fifteen percent (15%) of the shares in the Company, but more than five percent (5%), they shall have the right to propose candidates for at least three directorships."

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

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

The directors may be re-elected for a new term subject to the provisions hereafter regarding independent directors. Before proposing any director for re-election the Board shall take into account the evaluations made by the Nomination and Remuneration Committee.

The duties of directors who are not appointed for a new term terminate immediately after the Shareholders' Meeting which decided on any re-election.

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 Shareholders' Meeting, which shall make a final appointment. In the case of more than one vacancy, the remaining directors shall have the right to fill all such vacancies simultaneously.

As long as the Shareholders' Meeting or the Board has not filled a vacancy, whatever the reason may be, the director whose term has expired continues to carry out his/her duties if it is necessary for the Board to consist of the legal minimum number of members.

The composition of the Board will be balanced considering the respective skills, experience, knowledge of each of the Board members, gender diversity and diversity in general.

Adequacy of size and composition will be regularly assessed by the Board upon the initiative of the Chairman and upon recommendation of the Nomination and Remuneration Committee.

3.3 Independent Directors

At least half of the directors must be non-executive directors and at least two (2) of them must be independent.

All independent directors appointed in accordance with the Company Code shall meet the criteria set out in article 526^{ter} of the Company Code.

The Company shall disclose in the corporate governance statement of the annual financial report which directors it considers to be independent directors and the reasons why it considers nevertheless a director as being independent even if one or more of the criteria set out above are not met.

3.4 Gender Diversity

The Board considers gender diversity an important topic, in which it is willing to invest in the future. Gender diversity should be achieved throughout the entire group.

As for the composition of the Board of Directors, the Board recommends a percentage of 30% of women at the Board. It is the intention of the Board to propose women for the office of director to the Shareholders' Meeting, if possible. The Nomination and Remuneration Committee shall strive to the selection of men and women for the office of director in order to achieve the goal of 30% women at the board.

3.5 Individual requirements of the directors

The directors shall be specifically chosen for their particular professional experience, knowledge and skills upon a recommendation of the Nomination and Remuneration Committee. Any proposal for the appointment of a director by the Shareholders' Meeting shall be accompanied by a recommendation from the Board, based upon such Committee's advice.

Directors undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments. They shall not hold more than five (5) directorships in listed companies, including the directorship in FNG, provided that the Board can advise the Shareholders' Meeting to deviate from this rule. Changes in the directorships held by the directors shall immediately be reported to the Chairman of the Board.

The directors are individually responsible for acquiring and maintaining their skills and knowledge so as to allow them to carry out their function in the Board and its Committees.

3.6 Induction

The Chairman shall ensure that the newly appointed directors receive an appropriate induction to ensure their contribution to the Company and the Committees to whom they belong.

3.7 Evaluation

Periodically, the Board will undertake a formal evaluation of its own size, composition and performance and that of its Committees and of its interaction with the executive management, in order to (i) assess how the Board and its Committees operate, (ii) check whether important issues are suitable prepared and discussed, (iii) evaluate whether each director makes a constructive contribution to the decision making, (iv) check the Board's or Committee's current composition against the Board's or Committee's desired composition. Such evaluation will be done at least once every three (3) year by the Nomination and Remuneration Committee at the initiative of the Chairman and, if required, with the assistance of external advisors.

The directors shall not attend the discussions on their evaluation.

The number of Board and Committee meetings and the individual attendance record of directors shall be disclosed in the corporate governance statement of the annual report.

3.8 Board meetings

The Board shall meet as frequently as the interests of the Company shall require, but in any case not less than four (4) times a year. The date, hour and place of such meetings will be agreed upon by the Board, upon a proposal of the Chairman, for the next financial year at the last Board meeting of each financial year.

If an urgent issue arises, the Board can meet by a conference call 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 of the Company, decisions may be adopted, without a meeting, by the unanimous written consent of the directors. However, the procedure may not be used for the approval of the annual accounts or the use of the authorised capital.

In addition, special meetings of the Board may be called and held at any time upon the call of the Chairman or by the CEO or two directors, by giving written notice to each director at least two (2) business days before the meeting. Where duly justified by emergency and by the corporate interest of the Company, the above notice period of two (2) business days may be waived by the unanimous consent of the directors expressed in writing. If necessary, the convocation of the meeting can also be done by telephone call. If all directors are present or represented at such meeting, they shall be deemed to have waived the above notice period.

Board meetings are based on a detailed agenda specifying the topics for decision and those for information. Board members have the power to raise any question which they consider appropriate concerning the Company and its operations.

The Board can only deliberate if a majority of its members are present or represented, each director can appoint another member of the Board to represent him and vote in his name. Any director can represent more than one other director. Decisions are made by a simple majority of votes cast.

At the request of any director and subject to the approval of the Board, any third party may be invited to attend the whole or any part of a Board meeting.

The Company Secretary or a person appointed for such purposes drafts minutes of each meeting reflecting the issues which were discussed, the decisions which were taken and, if any, the reservations which were voiced by dissenting directors. The minutes will be approved by the Chairman and subsequently by the Board.

Directors should arrange their personal and business affairs so as to avoid conflicts of interest with the Company.

3.9 Special meeting of non-executive directors

Once a year, the non-executive directors shall meet without the presence of the CEO or any other executive director. In such meeting the non-executive directors shall assess their relationship with the executive directors; no formal board decisions can be taken at such meeting.

3.10 Access to management

The Chairman of the Board shall establish a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

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 any other employee to whom they may require access in order to carry out their responsibilities.

3.11 Access to advisors

The Board and the 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 Chairman of the Board with due consideration for the financial consequences for the Company.

3.12 Information for directors

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.

Directors will only use the information they receive for the purpose of exercising their duties and must preserve the confidentiality of such information. To this effect they will be required to sign confidentiality undertakings before the commencement of their mandate.

3.13 The remuneration of directors

Only the non-executive directors shall receive a remuneration for the fulfilment of their office of director. Without prejudice to the remuneration of the persons entrusted with daily management (CEO), which is decided by the Board, the other directors will not receive any remuneration in consideration of their membership of the Board.

The non-executive directors (including the independent directors) cannot receive a performance related remuneration in their capacity as director. Upon advice of the Nomination and Remuneration Committee, the Board may propose to the Shareholders' Meeting to deviate from the latter principle in case in the Board's reasonable opinion the granting of any performance related remuneration would be necessary to attract or retain independent directors with the most relevant experience and expertise.

Notwithstanding the above, all directors (including those who are not independent) may be granted warrants issued by the Company.

The Nomination and Remuneration Committee recommends the level of remuneration for directors, including the Chairman of the Board, subject to approval by the Board and, subsequently, by the Shareholders' Meeting.

The Nomination and Remuneration Committee benchmarks directors' compensation against peer companies to ensure that it is competitive.

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 director's business related out-of-pocket expenses. Remuneration for directors will be disclosed to shareholders in accordance with applicable laws and stock exchange rules.

3.14 Remuneration of the CEO and Executive Committee

The agreements entered into with the CEO or with members of the Executive Committee should mention the criteria applied to determine the variable remuneration, if any. Such variable remuneration may only be paid if the criteria for the period indicated are satisfied. The agreements shall also contain specific provisions concerning the premature termination of the contract.

Unless expressly approved otherwise by the Shareholders' Meeting, in cases where the variable remuneration relates to more than one-fourth of the annual remuneration, at least one-fourth of the variable remuneration granted to the CEO and the members of the Executive Committee should be based on predetermined and objectively measurable performance criteria over a period of at least two years, and at least another one-fourth should be based on predetermined and objectively measurable performance criteria over a period of at least three years.

The severance pay in case of early termination of the contract with the CEO or a member of the Executive Committee shall in principle not exceed twelve (12) months' basic and variable remuneration.

Special prior approval by the next annual Shareholders' Meeting shall be required before payment of severance pay exceeding twelve (12) months' basic and variable remuneration, or eighteen (18) months' basic and variable remuneration, upon the reasoned recommendations of the Nomination and Remuneration Committee to this effect. Such a request must be notified to the works council at least 30 days before the date of publication of the convening notice for the next annual Shareholders' Meeting, or if no works council exists, to the employee representatives on the committee for prevention and protection at work or, if there is none, to the union delegation.

At the request, as the case may be, of one of the parties in the works council, or respectively, the employee representatives on the committee for prevention and protection at work, or the trade union delegation, they shall make a recommendation to the Shareholders' Meeting. The request for a recommendation must be submitted at least 20 days before the date of convening the Shareholders' Meeting. The recommendation shall be submitted no later than the date of publication of the convening notice, and published on the website of the Company. In any case, if the person vacating office has not met the performance criteria referred to in his agreement, the severance pay should not exceed the basic remuneration for twelve (12) months, and the variable remuneration shall not be taken into account.

3.15 Corporate governance in the annual report

As set out in article 95 and 96 of the Company Code, each year the Board draws up a report in which they account for their management over the previous year.

This report shall also contain a corporate governance statement in accordance with article 96§ 2 of the Company Code describing all relevant corporate governance events that took place during the year under review. The corporate governance statement shall include at least the elements listed in Annex F of the CGC.

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.

3.16 Representation of the Company by its directors

The Company is validly represented by any two (2) of its directors acting jointly, or by the managing director, acting alone. For acts within the scope of their specific powers, the Company is also validly represented by special representatives who are appointed by the Board.

4. CHAIRMAN OF THE BOARD

4.1 Appointment

The Board elects the Chairman of the Board from amongst its members. For the appointment of the Chairman of the Board, the Nomination and Remuneration Committee will prepare a job specification, including an assessment of the commitment expected, recognizing the need for availability in the event of crises. The CEO will not be the Chairman of the Board.

4.2 Powers and responsibilities

The Chairman of the Board is responsible for the proper and efficient functioning of the Board.

The Chairman of the Board is responsible for the leadership of the Board. He takes the necessary measures to develop a climate of trust within the Board, contributing to open discussion, constructive dissent and support for the decisions of the Board. The Chairman of the Board promotes effective interaction between the Board and the executive management. He establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

The Chairman of the Board determines the agenda of the Board meetings after consultation with the CEO (and taking into account the request from the directors) and chairs Board meetings.

He ensures that directors receive prior to each meeting complete timely and accurate information and where necessary, between meetings.

The Chairman of the Board will also make sure that all directors receive the same Board information and that there is sufficient time for consideration and discussion before making decisions.

The Chairman of the Board will ensure that new directors receive an appropriate induction to the Company prior to joining the Board.

The Chairman of the Board, together with the CEO, represents the Board from a public relations standpoint to the shareholders and the public at large and chairs the shareholders' meetings. The Chairman of the Board, together with the CEO, will serve as interface between the Board and major shareholders of the Company on matters of corporate governance.

5. COMPANY SECRETARY

The Board of Directors can appoint a Company Secretary and can also decide to dismiss him/her at any time.

The Company Secretary shall advise the Board on all governance matters. S/He shall assist the Chairman of the Board in the logistics associated with the affairs of the Board (information, agenda, etc.).

6. EXECUTIVE MANAGEMENT

The Company's executive management is composed of the CEO and other members of the Executive Committee (the "**Executive Management**").

6.1 Chief Executive Officer ("CEO")

6.1.1 Appointment

The Board of Directors appoints and removes the person(s) in charge of daily management ("*persoon belast met dagelijks bestuur*" / "*personne chargée de la gestion journalière*"), which shall also be referred to as the Chief Executive Officer(s) (or CEO(s)).

6.1.2 Role

The role of the CEO(s) of FNG is, together with the other members of the Executive Committee, to implement the mission, strategy and targets set by the Board and to represent the Company with its major partners, the financial community, the government and the public. The CEO(s) report(s) directly to the Board.

6.1.3 Responsibilities

As the chief executive manager of FNG, the CEO(s), with the assistance of Executive Committee, is/are responsible for:

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

In addition, the CEO(s) must enable the Board and the Chairman to exercise their responsibilities as directors. The CEO(s) must therefore:

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

The Board allocates to the CEO(s) the powers that are appropriate and necessary for the correct discharge of its tasks and responsibilities. The CEO(s) is accountable to the Board for the discharge of the tasks and responsibilities allocated to him/her.

6.2 Executive Committee

6.2.1 Role

The Executive Committee is charged with the management of the Company, with the exception of the determination of the Company's strategy, the supervision of the Executive Committee, and the powers explicitly reserved to the Board and the Shareholders' Meeting, by law, the Articles of Association or this Corporate Governance Charter.

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

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

6.2.2 Powers

The Executive Committee is responsible for, inter alia:

- studying, defining and preparing, under the leadership of the CEO, the strategic options and proposals that may contribute to the development of the Company. This responsibility includes amongst others:
 - strategic planning: analysing the strategies, business plans and budgets and developing a plan and budget for proposal to, discussion with and approval by the Board;
 - organisation: organising activities consistent with the Company's strategy and recommending changes to the Board when necessary;
 - external development: making recommendations to the Board for the entering into, revision or termination of any alliance, spin-offs or mergers, investments, acquisitions and divestitures or any transaction which in the judgment of the CEO should be decided by the Board because of the nature or importance of the risks involved;
- developing proposals for policies to be submitted to Board's approval and implementing such policies, which include amongst others:
 - financial management: financial strategy policies including funding and solvency matters;
 - without prejudice to the tasks of the Audit Committee, risk management: policies related to the risk profile of the Company, systems to identify, assess, manage and monitor financial and other risks;
 - business conduct: key policies on private investments, general business conduct, etc;

- any other matter where the Board or the CEO consider that the Board should set a policy;
- under the leadership of the CEO, ensuring the management of the Company by:
 - developing and implementing policies that fall within the Executive Committee’s remit;
 - giving direction, guidance and support to the Company;
 - be responsible and accountable for the complete, timely, reliable and accurate preparation of the Company’s financial statements, in accordance with the accounting standards and policies of the Company;
 - present the Board with a balanced and understandable assessment of the Company’s financial situation;
 - provide the Board in due time with all information necessary for the Board to carry out its duties;
 - approving or deciding the entering into, revision or termination of any alliance, spin-offs or mergers, investments, acquisitions and divestitures, which are not reserved to the Board;
 - monitoring: performance as against strategic goals, plans and budgets; and compliance with applicable laws, regulations and policies and standards;
 - managing and organising the support functions covering matters such as: human resources (implementing group wide human resources strategy, policies and standards) and legal, compliance and tax matters;
- risk management: managing the different risks within the framework of the risk policies; this includes setting up risk management systems and internal controls;
- reporting: preparing the external financial statements, as well as other financial and non-financial external reports and management information;
- internal and external communication, including investor relations;
- audit: without prejudice to the tasks of the Audit Committee, deciding whether to set up, and if so, setting up of internal audit systems and concurring with the nomination of the statutory auditor;
- assisting the CEO in fulfilling his other responsibilities;
- exercising other powers and duties entrusted by the Board in specific matters determined by the Board upon proposal by the CEO.

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

6.2.3 Composition

The Executive Committee is composed of at least three (3) members, including the CEO(s). The Executive Committee shall be chaired by the/a CEO.

The members of the Executive Committee, whether or not directors, are appointed on proposal of the Chairman of the Board and may be dismissed by the Board at any time.

The Executive Committee shall meet regularly. The CEO(s) will report to the Chairman of the Board.

6.2.4 Secretary

The secretary of the Executive Committee or another person designated by the Chairman of the meeting prepares a report on the findings and recommendations of the meeting of the Executive Committee. The report needs to be signed by all members present or represented at the meeting. The secretary sends the report to all the members of the Board as soon as possible after a meeting.

6.2.5 Operation

Meetings of the Executive Committee are in principle called by the Chairman of the Executive Committee. Each member of the Executive Committee may request that a meeting be called.

Except in cases requiring rapid action, the agenda for the meeting as well as all supporting documentation is sent to the members of the Nomination and Remuneration Committee at least three (3) calendar days in advance of the meeting.

A meeting is validly constituted if at least the majority of the members of the Executive Committee is present or represented. Members of the Executive Committee may grant a power of attorney to another member of the Executive Committee to represent him/her at the meeting.

Decisions are taken by a majority of votes cast by the members of the Executive Committee. The Executive Committee invites other persons to attend its meetings, at its discretion.

6.2.6 Interaction with the Board

The members of the Executive Committee 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 Committee designated by him/her) shall report at every meeting of the Board on the material deliberations and material decisions of the previous meeting(s) of the Executive Committee. The Board may at any time invite members of the Executive Committee to attend the meetings of the Board to question them on the policy they pursue.

The Executive Committee shall draft at the end of each fiscal year a proposal for a budget and a business plan of the Company for the next fiscal year. The proposal for a budget and a business plan shall be submitted to the Board by the CEO no later than 1 December. The Board may invite the members of the Executive Committee to Board meetings to question them on the content of the budget and business plan and to request additional information.

The Executive Committee shall each year in March draft an annual activity report which contains the information that should be included in the annual report, to be drawn up by the Board in accordance with Article 95 and 96 of the Belgian Companies Code. This annual activity report shall be submitted to the Board by the CEO no later than 31 March. The Board may invite the members of the Executive Committee to Board meetings to question them on the content of the annual activity report and to request additional information.

6.3 Representation of the Company by the Executive Management

The Company is duly represented by the CEO, in all matters relating to day-to-day management. In case there is more than one CEO, each CEO can act individually unless the Board has decided that they should act jointly. A CEO can delegate authority for daily management matters to one or more persons (irrespective whether or not they are employees).

In the areas of competence of the Executive Committee, the Company is duly represented by each member of the Executive Committee, acting solely.

6.4 Appointment

The members of the Executive Management are appointed on the basis of a recommendation by the Nomination and Remuneration Committee.

6.5 Remuneration of the members of the Executive Management

The remuneration of the members of the Executive Management is determined by the Board on the basis of recommendations of the Nomination and Remuneration Committee which shall benchmark such remuneration to ensure that it is competitive and allows to attract the best person for the job.

6.6 Evaluation

Each year, the Nomination and Remuneration Committee evaluates the performance of the members of the Executive Management and makes proposals to the Board for the targets to be achieved by the members of the Executive Management in the following year.

7. BOARD COMMITTEES

Apart from the Executive Committee, the Board is assisted by several Committees to analyse specific issues, i.e. the Audit Committee and the Nomination and Remuneration Committee.

7.1 Nomination and Remuneration Committee

7.1.1 Role

The Nomination and Remuneration Committee makes recommendations to the Board on the appointment and remuneration of the members of the Board, the CEO(s), and other members of the Executive Committee.

7.1.2 Powers

The Nomination and Remuneration Committee is authorised to:

- (a) For the purpose of appointments and assessments:
 - prepare selection criteria and procedures for the appointment of members of the Board, the CEO(s), and the other members of the Executive Committee;

- review appropriate candidates for vacant directorships as proposed by the CEO(s) or a shareholder in accordance with the Articles of Association;
- review appropriate candidates for vacant top executive management positions as proposed by the CEO(s);
- prepare reappointment proposals;
- periodically evaluate the size and composition of the Board and, if applicable, prepare recommendations for changes to its size and composition.

(b) With respect to the remuneration policy :

- prepare proposals to the Board concerning the remuneration policy for directors and executive managers, as well as, where appropriate, on the resulting proposals to be submitted by the Board to the Shareholders' Meeting;
- prepare proposals to the Board concerning the remuneration of directors and executive managers, including, depending on the situation, variable remuneration and long term incentives, whether or not stock related, in the form of stock options or other financial instruments and regarding the arrangements on early termination, and where applicable on the resulting proposals to be submitted by the Board to the Shareholders' Meeting.

7.1.3 Composition

The Nomination and Remuneration Committee comprises at least two (2) directors and the CEO. All members of the Nomination and Remuneration Committee must be non-executive directors, a majority of whom must be independent, save for the CEO. The composition of the Nomination and Remuneration Committee may deviate from the above if, in the reasonable opinion of the Board, a different composition can bring more relevant experience and expertise to the Committee.

The members of the Nomination and Remuneration Committee are appointed and may be dismissed at any time by the Board. The duration of the appointment of a member of the Nomination and Remuneration Committee must not exceed the duration of his/her directorship.

The Nomination and remuneration Committee is chaired by the Chairman of the Board or by another non-executive director appointed by the Committee.

7.1.4 Secretary

The secretary of the Nomination and Remuneration Committee or another person designated by the Chairman of the meeting prepares a report on the findings and recommendations of the meeting of the Nomination and Remuneration Committee. The secretary sends the report to all the members of the Board as soon as possible after a meeting.

7.1.5 Operation

The Nomination and Remuneration Committee meets as frequently as is necessary for the efficient operation of the Nomination and Remuneration Committee and is called at least twice a year. The meetings are as far as possible arranged in advance for each year.

Meetings of the Nomination and Remuneration Committee are in principle called by the Chairman of the Nomination and Remuneration Committee. Each member of the Nomination and Remuneration Committee may request that a meeting be called.

Except in cases requiring rapid action, the agenda for the meeting as well as all supporting documentation is sent to the members of the Nomination and Remuneration Committee at least seven (7) calendar days in advance of the meeting.

A meeting is validly constituted if it is attended in person by at least two (2) members.

Decisions are taken by a majority of votes cast by the members of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee invites other persons to attend its meetings, at its discretion.

No individual director shall be present at the meeting of the Nomination and Remuneration Committee at which his/her own remuneration is discussed nor shall an individual director be involved in any decision concerning his/her own remuneration.

7.1.6 Reporting and Assessment

The Nomination and Remuneration Committee provides the Board regularly with clear information about the discharge of its functions. It submits a remuneration report to the Board and informs the Board about any areas in which the Nomination and Remuneration Committee considers action or improvement to be necessary. The Nomination and Remuneration Committee prepares recommendations concerning the necessary steps to be taken.

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

The Nomination and Remuneration Committee should consider proposals with regard to the appointment of directors. In particular, the CEO(s) shall be entitled to submit proposals to, and to be adequately consulted by the Nomination and Remuneration Committee, especially when dealing with issues related to executive directors or Executive Management.

7.2 Audit Committee

7.2.1 Role and powers

The Audit Committee supervises financial reporting and the observance of administrative, legal and fiscal procedures and the follow-up of financial and operational audits and advises on the choice and remuneration of the external auditor. The Audit Committee, which reports directly to the Board, has a supervisory and advisory role.

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

- (a) Informing the Board of Directors of the result of the statutory audit ("*wettelijke controle*" / "*contrôle legal*") of the (consolidated) annual accounts and explaining how the statutory audit ("*wettelijke controle*" / "*contrôle legal*") of the (consolidated) annual accounts has contributed to the integrity of the financial reporting and the role of the Audit Committee in such process.
- (b) Monitoring the financial reporting process and making recommendations or proposals to ensure the integrity of the process:
 - the Audit Committee ensures that financial reporting gives a truthful, honest and clear picture of the situation and prospects of the Company, on both an individual and consolidated basis;
 - the Audit Committee checks the accuracy, completeness and consistency of financial information before it is announced;
 - the Audit Committee assesses the choice of accounting policies and the impact of new accountancy rules;
 - the Audit Committee discusses significant matters relating to financial reporting both with the executive managers and the external auditor.
- (c) Monitoring the effectiveness of the Company's internal control and risk management systems, as well as, if there is an internal audit, monitoring the internal audit and its effectiveness:
 - the Audit Committee evaluates at least once a year the effectiveness of the internal control and risk management system installed by the executive management;
 - the Audit Committee also examines the statements relating to internal control and risk management included in the Corporate Governance Statement of the Company;
 - the Audit Committee investigates the specific arrangements to enable staff to express concerns in confidence about any irregularities in financial reporting and other areas (whistleblower arrangements). The Audit Committee ensures that all the staff of the Company and its subsidiaries are aware of such arrangements;
 - the Audit Committee decides on the appointment and dismissal of the internal auditor. The Audit Committee approves annual budgets and the internal audit budget. The responsibilities of the Audit Committee also include evaluation of the effectiveness of the internal audit function and the follow-up given by executive management to the findings and recommendations made by the internal auditor.
- (d) Monitoring the statutory audit ("*wettelijke controle*" / "*contrôle legal*") of the annual and consolidated accounts, including the follow-up on any questions and recommendations made by the external auditor:
 - the Audit Committee supervises the relationship between the Company and the external auditor and makes recommendations to the Board of Directors concerning the selection, appointment, reappointment, dismissal and terms of engagement of the external auditor;
 - the Audit Committee monitors the external auditor's schedule and ensures the effectiveness of the external audit process. The Audit Committee examines the extent to which the executive management complies with the recommendations made by the external auditor in its management letter.

- (e) Reviewing and monitoring the independence of the external auditor, in particular in the light of the provisions of the Company Code:
 - the Audit Committee supervises the independence of the external auditor, in particular in the light of the provisions of the Company Code;
 - the Audit Committee examines which additional (non-audit) services have been entrusted to the external auditor and the scope of such services. The Audit Committee determines and updates a formal policy with regard to the types of additional services that : a) are excluded; b) are permissible after verification by the Committee and c) are permissible without being referred to the Committee, taking account of the specific requirements of the Company Code.

- (f) Making recommendations to the Board of Directors with regard to the appointment of the external auditor in charge of the statutory audit ("*wettelijke controle*" / "*contrôle legal*") of the consolidated annual accounts:
 - the Audit Committee supervises the relationship between the Company and the external auditor in charge of the statutory audit ("*wettelijke controle*" / "*contrôle legal*") of the consolidated annual accounts and makes recommendations to the Board of Directors concerning the selection, appointment, reappointment, dismissal and terms of engagement of the external auditor in charge of the statutory audit ("*wettelijke controle*" / "*contrôle legal*") of the consolidated annual accounts.

7.2.2 Composition

The Audit Committee consists of at least two (2) directors. All members of the Audit Committee are non-executive directors, with a majority of independent directors. At least one (1) of the members who are independent directors shall have the necessary expertise in the field of accounting and audit. Subject to the legal requirements set out in article 562*bis* of the Belgian Company Code, the composition of the Audit Committee may deviate from the above if, in the reasonable opinion of the Board, a different composition can bring more relevant expertise to the Committee.

The members of the Audit Committee are appointed on the proposal of the Chairman of the Board and may be dismissed by the Board at any time. The duration of the appointment of a member of the Audit Committee must not exceed the duration of his/her directorship.

The Audit Committee is chaired by one of the members of the Audit Committee appointed by the Committee. The Chairman of the Board may not chair the Audit Committee, unless decided otherwise by the Board.

The members of the Audit Committee shall have sufficient relevant expertise, in particular in accounting, auditing and finance, to effectively discharge their functions.

7.2.3 Secretary

The Company Secretary or a person appointed for such purposes is also the secretary of the Audit Committee. The secretary of the Audit Committee prepares a report on the findings and recommendations of the meetings of the Audit Committee. The secretary sends the report to the Chairman of the Board as soon as possible after a meeting.

7.2.4 Operation

The Audit Committee meets as frequently as necessary to ensure effective operation of the Audit Committee, but at least two (2) times a year. An annual schedule is determined for meetings of the Audit Committee. The meetings are preferably held shortly before meetings of the Board.

Meetings at the Audit Committee are in principle called by the Chairman of the Audit Committee. Each member of the Audit Committee may convene a meeting of the Audit Committee.

Except in case requiring rapid action, the agenda for the meeting as well as all supporting documentation is sent to the members of the Audit Committee at least [seven (7)] calendar days in advance of the meeting.

A meeting is validly constituted if it is attended in person by at least two (2) members.

The decisions of the Audit Committee in its supervisory and advisory role are taken by a majority of the votes cast.

The Audit Committee invites other people to attend its meetings at its discretion. The CEO attends the meetings of the Audit Committee, except if the Audit Committee decides otherwise. The Audit Committee meets the external and internal auditors at least twice a year, in order to discuss with them matters relating to its terms of reference and any matters arising from the audit process, and in particular any material weakness in the internal control.

The internal auditor has unlimited access to the Chairman of the Audit Committee to discuss matters concerning the internal audit of the Company.

7.2.5 Reporting and Assessment

The Audit Committee provides the Board with clear regular information about the exercise of its duties and at least when the Board draws up the annual accounts, the consolidated annual accounts and, where applicable, the condensed financial statements intended for publication. It informs the Board about all areas in which action or improvement is necessary in the opinion of the Audit Committee. The Audit Committee produces recommendations concerning the necessary steps that need to be taken. The audit review and the reporting on that review should cover the Company and its subsidiaries as a whole.

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

8. CONFLICTS OF INTEREST

All members of the Board and the Executive Management are expected to act at all times in the interest of the Company and its subsidiaries.

Each member of the Board and of the Executive Committee shall:

- exercise his or her function in a sound, sensible and ethical manner;
- not request or accept, either directly or indirectly, substantial donations for his or her own benefit;
- not develop any capacity whatsoever, or activities which are, directly or indirectly, in competition with the activities of the Company;
- not provide third parties with unjustified advantages at the expense of the Company;
- not seize, either directly or indirectly, an advantage or business opportunity to which the Company is entitled, for its own benefit;
- respect the confidentiality of information and deliberation during and after its membership of the Board and/or of the Executive Committee.

Each member of the Board or each member of the Executive Committee shall immediately report any potential conflict of interests to the Chairman and to the other members of the Board or of the Executive Committee, as the case may be. The members concerned must provide the Chairman and the other members of the Board or of the Executive Committee, as the case may be, with all information relevant to the conflict. The Chairman of the Board or of the Executive Committee 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 Committee, as the case may be, shall not participate in the discussions or decision-taking process of the Board or of the Executive Committee, as the case may be, 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 case of a decision by the Executive Committee, by the Board.

Without prejudice to the foregoing, each member of the Board or of the Executive Committee who is faced, directly or indirectly, with a financial interest conflicting with a decision or transaction within the competence of the Board or the Executive Committee, within the meaning of Article 523, or Article 524ter of the Belgian Companies Code, as the case may be, shall inform the other members of the Board or of the Executive Committee 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 or of the Executive Committee. The relevant member of the Board or of the Executive Committee must inform the statutory auditor of its conflict of interest. With a view to publication in the annual report, the Board or the Executive Committee 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.

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

9. RULES PREVENTING MARKET ABUSE

A dealing code, attached hereto as Annex I (the "Dealing Code"), ensures that all employees, and particularly the members of the Board 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 decisions.

To implement and monitor this Dealing Code, the Board shall designate one or more compliance officers who shall have the rights and obligations set out in the Dealing Code.

10. MISCELLANEOUS

10.1 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 Charter subject to disclosure thereof in the corporate governance statement of the annual report.

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

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

10.2 Priority

In 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 provisions of this Corporate Governance Charter.

10.3 Governing law and jurisdiction

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

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

Annex: Dealing Code