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# CHARTER OF THE BOARD OF DIRECTORS

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The Board of Directors (the “**Board**”) of Proximus SA/NV under public law (the “**Company**”) has approved this Charter, which, together with the charters of the Board committees, lays down the principles on the basis of which the Board, its Directors and its committees shall operate.

The Board shall regularly evaluate this Charter and carry out any changes deemed necessary and appropriate by a decision taken by simple majority of its members. However, for changes to the basic principles of this Charter, the Board strives to obtain unanimous approval of all Board members.

<b>I. STRUCTURE</b>
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Proximus has opted for a one-tier structure that consists of a board of directors, which is authorized to carry out all actions that are necessary or useful to achieve the company’s purpose, except for those for which the general meeting is authorized by law.

At least once every five years, the Board will review whether the chosen governance structure is still appropriate, and if not, propose a new governance structure to the general shareholders’ meeting.

<b>II. COMPOSITION OF THE BOARD</b>
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## ***1. Size and composition of the Board***

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The Shareholders’ Meeting determines, at the request of Board, the total number of Directors, taking into account the maximum number of Board members permitted under article 16, section 1 of the bylaws.

The Board, assisted by the Nomination and Remuneration Committee, examines the appropriate size of the Board at regular intervals, taking into account the expertise of the directors, the availability of appropriate candidates, the desired level of diversity, the size of the

Company, and the requirements with regard to different points of view and the best practices of the Board.

The Board composition is also influenced by:

- the independent and non-independent status of Directors;
- the language parity requirements;
- a reasonable gender distribution;
- the incompatibility provisions.

A detailed description of these elements is described below.

The current size and composition of the Board is published on the Company's corporate website [www.proximus.com](http://www.proximus.com) and, more specifically, at [www.proximus.com/en/governance/board-of-directors](http://www.proximus.com/en/governance/board-of-directors).

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## **2. Selection, nomination and appointment of the Directors**

### **2.1. Preparatory process for the appointment of Directors**

The nomination for the appointment of a Director is governed by the following preparatory process:

- The candidacy for a Director's mandate is submitted to the Nomination and Remuneration Committee which analyses the merits of each candidacy thoroughly and makes recommendations to the Board;
- The Board studies the recommended candidacies and, if it agrees with the proposed candidates, nominates the candidate Directors for appointment by the Shareholders' Meeting.

The recommendation by the Nomination and Remuneration Committee and by Board to the Shareholders' Meeting includes:

- the relevant information on the professional qualifications of the candidate, together with a list of other positions that the candidate currently holds or has held;
- a confirmation that the candidate meets all the selection criteria which are relevant for the specific vacant Board mandate.

In order to reach a fair reflection of the Company's shareholding in the Board, article 18 of the bylaws stipulates that shareholders holding at least 25% of the shares have the right to propose candidate Directors *pro rata* to their shareholding (the "**Nomination Right**"). Shareholders holding less than 25% of the shares could also be represented in the Board through application of the principle of reasonable representation of significant stable shareholders as set out under article 18, section 3 of the bylaws.

The number of Directors for which a shareholder can propose candidates pursuant to this Nomination Right (if any), is calculated on 1 January of any given year in which the Shareholders' Meeting may or must appoint new Directors. Deduction is made for any running Board mandate for which such shareholder has exercised its Nomination Right in the past and, on the basis of which, the shareholder is already represented in the Board. The outcome of the *pro rata* calculation is always rounded down to the previous full number.

For the avoidance of doubt, any changes to the shareholder structure between 1 January and the date of the concerned Shareholders' Meeting will not be taken into account for the calculation of the number of Board mandates for which a shareholder may exercise its nomination right.

*E.g.:* If the Company has a Board of maximum 14 Directors and a shareholder holds 25% of the Company's capital on 1 January, then that shareholder is entitled to propose three Directors ( $14 \text{ directors} / 4 = 3.5$ , rounded down to 3). If at that time the shareholder already

has two nominees in the Board, appointed upon nomination of such shareholder, such shareholder can nominate one new Director.

The principle that the Board must at all times count at least three independent Directors in the meaning of Article 7:87 of the Belgian Companies and Associations Code, has priority over the Nomination Right. This means that a shareholder may not be able to propose the number of Directors to which he is mathematically entitled. If more than one shareholder exercises its Nomination Right, each shareholder must renounce the number of Board seats which corresponds with its *pro rata* shareholding to allow the presence of at least three independent Directors in the Board.

Candidatures proposed by shareholders in application of the Nomination Right are submitted to the preparatory process as described above.

## **2.2. Selection criteria for Directors' mandates**

The Chairman of the Board ensures that, before considering the candidate, the Nomination and Remuneration Committee and the Board have sufficient information about the candidate, such as a curriculum vitae, an evaluation of the candidate based on a preliminary interview, a list of the positions that the candidate holds or has held and any other information that is needed to assess the candidate's aptitude and, if relevant, independence.

Every nomination for appointment of a Director by the Shareholders' Meeting is determined by the following **selection criteria** applied to the specific vacant Board mandate:

- 2.2.1. *the independent and non-independent status of Directors*
- 2.2.2. *the language parity requirements*
- 2.2.3. *a reasonable gender distribution*
- 2.2.4. *the incompatibility provisions*
- 2.2.5. *specifically required qualifications*

### **2.2.1. Independence**

At least three Directors must be independent in the sense of Article 7:87 of the Belgian Companies and Associations Code and article 3.5 of the Belgian Corporate Governance Code 2020.

- (i) Not be an executive or exercising a function as a person entrusted with the daily management of the company or a related company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the company related to this position;
- (ii) Not have served for a total term of more than twelve years as a non-executive board member;
- (iii) Not be an employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) of the company or a related company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the company related to this position;
- (iv) not be receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the company or a related company or person, apart from any fee they receive or have received as a non-executive board member;
- (v) (a) Not hold shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the company's capital or one tenth or more of the voting rights in the company at the moment of appointment; (b) Not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under (a);
- (vi) Not maintain, nor have maintained in the past year before their appointment, a significant business relationship with the company or a related company or person, either directly or as partner, shareholder, board member, member of the senior

- management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) of a company or person who maintains such a relationship;
- (vii) Not be or have been within the last three years before their appointment, a partner or member of the audit team of the company or person who is, or has been within the last three years before their appointment, the external auditor of the company or a related company or person;
  - (viii) Not be an executive of another company in which an executive of the company is a non-executive board member, and not have other significant links with executive board members of the company through involvement in other companies or bodies;
  - (ix) Not have, in the company or a related company or person, a spouse, legal partner or close family member to the second degree, exercising a function as board member or executive or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry), or falling in one of the other cases referred to in 1. to 8. above, and as far as point 2. is concerned, up to three years after the date on which the relevant relative has terminated their last term.

Directors nominated by a shareholder can be independent, but must not be independent.

All other Directors, i.e. not appointed on the basis of a Nomination Right of a shareholder, with the exception of the Chief Executive Officer (the “CEO”) have to be independent directors, as specified in article 18 section 3 of the bylaws. The CEO, being an executive Director, always qualifies as an non-independent Director.

An independent Director who no longer satisfies the independence criteria must inform the Board of this immediately. In accordance with article 18 section 4 of the bylaws, such Director must resign from his/her office within one month of that status being lost.

The independent and non-independent status of Directors is indicated on the Company's corporate website [www.proximus.com](http://www.proximus.com) and, more specifically, at [www.proximus.com/en/governance/board-of-directors](http://www.proximus.com/en/governance/board-of-directors).

### **2.2.2. Language**

The Board must be composed of an equal number of French speaking and Dutch speaking members, with the possible exception of the Chairman. Directors who are neither French speaking nor Dutch speaking are not taken into account in determining the language parity.

### **2.2.3. Gender**

In accordance with the law of 28 July 2011 on the requirements with respect to the number of women in State owned companies and in listed companies and with article 7:86 of the Belgian Companies and Associations Code, at least one third of the Directors of the Board must be of a different gender than the other Directors.

### **2.2.4. Incompatibilities**

In accordance with article 22 of the Law of 21 March 1991, the Director's mandate is not compatible with the office or functions of:

1. Member of the European Parliament or of the European Commission;
2. Member of the legislative chambers;
3. Minister or Secretary of State;
4. Member of Parliament or of the Government of a community or region;
5. Governor of a province or member of the permanent delegation of a provincial council;
6. the function of employee of the Company, with the exception of the CEO.

Any Director in breach of these provisions must resign from the offices or duties giving rise to such conflict of interests within 3 months. He/she is deemed, ipso jure, to have resigned as a Director of the Company in the event of any failure to do so within this three-month period, without prejudice to the validity of any acts he/she may have performed or deliberations in which he/she participated during this period.

In accordance with article 59 of the Law of 21 March 1991, the mandate of Directors representing the public authorities, is incompatible with holding any position in the Belgian Institute for Postal Services and Telecommunications or in a private or public-sector body that offers telecommunications services or goods for profit.

Any Director in breach of this provision must immediately resign from the offices or duties giving rise to the conflict of interests. He/she is deemed, ipso jure, to have resigned as a Director of the Company in the event of any failure to do so within 1 week of accepting the post or function, without prejudice to the validity of any acts he/she may have performed or deliberations in which he/she participated during this period.

#### **2.2.5. Qualifications**

Appointments to the Board are made on the basis of merit and objective criteria. The Nomination and Remuneration Committee positively evaluates individuals who aspire to the highest personal and professional integrity and ethics, who attain high standards of professional ability and judgment and who are most suited, in conjunction with the other nominees, for collectively serving the long-term interests of the Company.

Each Director must have the skills and experience that complement the needs of the Company, and must, when required, provide to the Board the objective perspective that can enable the latter to bring management to account, if necessary.

The Board as a whole must be composed of persons who complement each other and have different levels of expertise and proficiency.

The Nomination and Remuneration Committee is responsible for ensuring, together with the Board, at regular intervals, that the expertise and qualifications of the individual Directors and the composition of the Board as a whole meet the Company's needs.

### **2.3. Appointment and dismissal of Directors**

The Directors are appointed and dismissed by the Shareholders' Meeting by a simple majority.

As a rule, Directors are appointed for a renewable period of 4 years (without prejudice to the restrictions for independent directors, as defined in article 7:87 of the Belgian Companies and Associations Code.

The maximum total term for independent and non-independent Directors is 12 years.

If a Director's mandate becomes vacant before its end date, the other Directors are entitled to temporarily appoint a Director *ad interim* until a final decision is taken by the Shareholders' Meeting. Such appointment is preceded by the preparatory process described above. The Nomination Right is taken into account again if the Director's mandate which became vacant, was allocated to a specific shareholder on the basis of his Nomination Right.

## **3. Diligence requirements for Directors**

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### **3.1. Initial training**

Newly appointed Directors receive the appropriate initial training so that they can quickly start contributing to the Board. The initial training process helps the Director to gain insight into the fundamental characteristics of the Company, including its strategy, values, management, governance, business challenges, main policy lines, finances, as well as its risk management and internal control systems.

For Directors who become members of a Board committee, the initial training includes an explanation of the specific role and tasks of that committee and any other information related to the specific role of the committee concerned.

### **3.2. Conduct of the Directors**

All Directors are expected to show a high level of integrity and ethical conduct, to act in the best interests of the Company and to observe the following standards:

- Directors, both executive and non-executive (and for the latter, regardless of whether they are independent or not), must take decisions on the basis of an independent judgment.
- Directors must enhance their skills and knowledge of the Company in order to fulfill their role, both in the Board and in the Board committees.
- Directors must ensure that they receive detailed and accurate information, which they must thoroughly examine in order to gain a good insight into the main aspects of the business activity. They must ask for explanations whenever they consider this necessary.
- Directors are encouraged to attend the Company's Shareholders' Meetings.

Each Director must comply with the applicable Company policies on integrity and ethical and professional conduct, as laid down in the Code of Conduct and the policies relating to compliance, drawn up by the Audit and Compliance Committee, and in similar Company documents.

### **3.3. Availability**

Directors must be prepared to spend the amount of time needed to carry out their tasks and responsibilities effectively, and must be in a position to hold their seat on the Board for a substantial period of time.

Non-executive Directors are duly informed about the scope of their duties when they present their candidature, particularly with regard to their time schedule in the context of their duties and their obligations with regard to confidentiality and integrity. They must guarantee that they will have sufficient availability to perform their mandate in an appropriate manner.

Although exceptions in the interest of the Company may be permitted, non-executive Directors are allowed to assume a maximum of 5 mandates in other listed companies. Changes relating to other relevant commitments and new commitments outside the Company must be communicated in due time to the Chairman of the Board.

Full-time executive Directors are not allowed to assume more than 2 non-executive Directorships in listed companies, or more than one Chairmanship in such a company.

### **3.4. Conflicts of interest**

The Board and each individual Director must respect all the rules relating to conflicts of interest between the Company and a Director, as laid down in article 7:96 of the Belgian Companies and Associations Code .

Directors who have a direct or indirect conflict of interest with the Company of a financial nature within the meaning of article 7:96 of the Belgian Companies and Associations Code, must inform the Chairman and the Secretary General immediately thereof, and no later than at the beginning of the meeting in which the matter which gives rise to the conflict will be discussed. In such notification, the Director must explain the nature and cause of the conflict he is confronted with. He shall not take part in the deliberation and the poll vote on this matter.

The Board must describe the nature of the conflict and must justify its decision on the matter, paying special attention to the financial consequences thereof for the Company. In case of doubt about whether a conflict exists, the Board shall obtain a reasoned advice from the Nomination and Remuneration Committee, without, however, being bound to follow this advice.



The minutes of the meeting in which the conflict of interest is reported and which contain the deliberation and decision on the matter which gave rise to the conflict, will be published in full in the annual report of the relating financial year.

The minutes of the meeting must be submitted to the auditors, who must be kept informed of such conflicts of interest.

The Board subscribes to the principle that the notion "conflict of interest" is broader than the legal stipulations of article 7:96 of the Belgian Companies and Associations Code.

Directors commit to avoid any appearance of conflict of interest by, amongst other, but not limitative:

- i. Not exercising any position, mission or activity in a private or public-sector body (other than in the Company) that, as important part of its business, offers for profit telecommunications services or goods in Belgium or in any country in which the Company realizes at least 5 % of its turnover;
- ii. Not exercising any position, mission or activity on behalf of a direct or indirect competitor of the Company or of one of its affiliates;
- iii. Not to assist, remunerated or not, any party in its contract negotiations with or procedures against the Company or one of its affiliates.

At the end of every year, Directors are invited to complete a declaration on independency and conflicts of interests and relationship with the Company. The Nomination and Remuneration Committee analyses these declarations and will, if needed, submit any possible issue to the Board in its next meeting.

### **3.5. Transactions and other contractual relationships between the Company and the members of the Board**

Transactions or other contractual relationships between the Company, including affiliated companies, and its Board members, which do not fall under the legal provisions concerning conflicts of interest, shall take place under the normal market conditions and in observance of the "Related Party Transactions Policy", as announced in the Corporate Governance Charter.

## **4. Chairman of the Board**

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### **4.1. Appointment of the Chairman**

The Chairman is appointed by the Board, from the members of the Board, based on his/her knowledge, experience and mediation abilities. The CEO cannot be the Chairman.

### **4.2. Role and powers of the Chairman**

The Chairman of the Board provides the leadership of the Board. He or she takes the measures required to create a climate of trust within the Board, which contributes to an open discussion, constructive criticism and support for the decisions of the Board.

The Chairman encourages an effective interaction between the Board and the management. The Chairman maintains close ties with the CEO and gives support and advice, with due regard for the executive responsibility of the latter.

Meetings of the Board are convened and chaired by the Chairman. If the Chairman is unable to chair the Board, he shall be replaced by the Chairman of the Audit and Compliance Committee.

In the event of a tied vote for a decision made by the Board, the Chairman, or, where he is unable to be present, the Director replacing him, has the casting vote.

#### **4.3. Specific tasks of the Chairman**

The Chairman has the following specific tasks:

1. Determine the agenda of the Board, after consultation with the CEO, and ensure that the procedures relating to the preparation, the deliberations, the approval of resolutions and the implementation of decisions run smoothly;
2. Chair the Board meeting;
3. Ensure that the Directors receive clear, timely, accurate information before the meetings and, if necessary, in-between the meetings. Within the Board, all Directors receive the same information;
4. Ensure that all Directors can contribute to the Board discussions in full knowledge of the topics concerned, and that they have sufficient time to consider and discuss matters before reaching a decision;
5. Ensure that the Board appoints the members and chairmen of the Board committees;
6. Ensure that newly appointed Directors receive the appropriate initial training;
7. Initiate the self-evaluation of the Board;
8. Chair the Annual Shareholders' Meeting, held yearly in April, and encourage the Directors to be present at such meeting;
9. Ensure communication and contacts with the shareholders of the Company, and report to the Board on relevant information obtained during interactions with shareholders.

#### **5. Secretary General**

The Board is assisted by the Secretary General in all its corporate governance affairs. The task of the Secretary General, under the supervision of the Chairman, is:

- supporting the board and its committees on all governance matters;
- preparing the CG Charter and the CG Statement;
- ensuring a good information flow within the board and its committees and between the executive management and non-executive board members;
- ensuring that the essence of the discussions and decisions at board meetings are accurately captured in the minutes; and
- facilitating induction and assisting with professional development as required

If necessary, the Secretary General is assisted by the Director Group Legal or by external consultants. Directors have individual access to the Secretary General.

<b>III. ROLE OF THE BOARD</b>
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The Company's activities are carried out by its managers and employees under the leadership of the CEO, assisted by the Executive Committee, and under the active supervision of the Board, with the strategic support of this Board, all with a view to promoting the Company's long-term value for its shareholders.

The Board recognizes that, in the long term, this value

- (i) will be promoted by meeting the expectations of other interested and involved parties, including employees, customers and suppliers, as well as the community and environment in which the Company operates, and
- (ii) must be created in accordance with ethical standards and in application of policies which limit management risks.



#### IV. TASKS AND RESPONSIBILITIES OF THE BOARD

The Board has the following tasks and responsibilities, which it carries out with the support of the different Committees, set up by the Board :

**1. General responsibilities**

- Determine and approve the strategy and mission of the Company;
- Supervise and control management.

**2. Relating to the Board, its composition and remuneration**

- Advise the Shareholders' Meeting on the appropriate size and composition of the Board, with the support of the Remuneration and Nomination Committee;
- Select Board candidates and nominate to the Shareholders' Meeting for appointment, upon recommendation of the Remuneration and Nomination Committee;
- Fill a vacant Director's mandate in accordance with article 21 of the bylaws;
- Appoint and dismiss the Chairman of the Board;
- Appoint and dismiss the Company Secretary;
- Monitor the remuneration and benefits of Directors;
- Evaluate its own efficiency in performing its tasks and responsibilities.

**3. Relating to the Board Committees**

- Install Board Committees and regulate their functioning;
- Appoint and dismiss members of Board Committees;
- Supervise the effectiveness of the Board Committees.

**4. Relating to the CEO**

Upon consultation of the Remuneration and Nomination Committee:

- Select, appoint and dismiss the CEO,
- Supervise and decide on the remuneration and benefits of the CEO;
- Assess the performance of the CEO;
- Supervise the succession planning of the CEO.

**5. Relating to the Executive Committee**

Upon proposal of the CEO and after consultation with the Nomination and Remuneration Committee:

- Appoint the members of the Executive Committee;
- Supervise and decide on the remuneration and benefits of the Executive Committee members;
- Monitor the decisions of the CEO and/or the Executive Committee concerning the remuneration and benefits of the Leadership Team and other senior managers;
- Assess the performance of the members of the Executive Committee;
- Supervise the succession planning of the members of the Executive Committee.

**6. Relating to Human Resources**

- Ensure that the Company has the necessary human resources and competencies to implement the strategy. To this end, the CEO will draw up a plan and a monitoring system with a global scorecard for the management skills that are present in the Executive Committee and the Leadership Team, as well as a succession plan;
- Evaluate and approve the incentive plan and other share plans of the Company;
- Endorse the decisions taken by the Joint Committee.

**7. Strategic Plan**

- Evaluate and approve the strategic plan, as drawn up by the CEO and the Executive Committee, which includes acquiring an in-depth knowledge of the business concerned, understanding and discussing the plan, and reaching an independent opinion on the feasibility of the plan's implementation;
- Monitor and ensure that the Company's performance is in line with the strategic plan.

**8. Financial Results**

- Evaluate, approve and follow up the Company's financial objectives, plans and actions, including major capital allocations and expenditures;
- Monitor and adopt the audited financial accounts, and monitor and approve the disclosure of the Company's intermediary financial results.

**9. Internal control and Risk Management**

- Approve a clear framework for internal control and Risk Management systems, as drawn up by management, and monitor the implementation of this framework, taking into account the monitoring by and recommendations of the Audit and Compliance Committee;
- Supervise the performance of the work of the external auditors and internal audit, taking into account the monitoring by and recommendations of the Audit and Compliance Committee;
- Describe the main characteristics of the internal control and risk management systems in the Company's annual report.

**10. Important transactions**

Evaluate, approve and follow up important transactions of the Company; all projects involving acquisitions of or mergers with non-Proximus group companies must include an integration plan.

**11. Ethical Conduct and Compliance**

Ensure that procedures are in place to safeguard the Company's integrity and its compliance with the laws and regulations, on the one hand, and with audit, accounting and ethical principles, on the other hand, in its relations with all the parties concerned.

**12. Cyber Security**

Oversight of the cyber security strategy.

**13. Dialogue with the shareholders**

Via its Chairman, take note of the positions of the Company's shareholders, pursuing a constructive relation with the shareholders, based on mutual respect and acknowledgement of the shareholders' objectives and concerns.

**14. Management agreement**

Approval of the management agreement with the Belgian State and any amendments thereto.

**15. Legally or otherwise imposed duties**

Other tasks and responsibilities, as laid down in the Law of 21 March 1991, the bylaws of the Company, the Belgian Companies and Associations Code and the Belgian Corporate Governance Code 2020.

<b>V. THE FUNCTIONING OF THE BOARD</b>
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**1. Timetable and agenda of Board meetings**

The Chairman establishes a timetable for the Board meetings of the following year in consultation with the CEO.

The Board meets every year in at least five regularly scheduled meetings. The Board also evaluates the strategic long-term plan in at least one meeting per year.

The Chairman or the CEO may convene additional meetings when required in the interests of the Company, or when requested by at least two Directors.

The Chairman shall determine the agenda of every Board meeting in consultation with the CEO. Additional items may be added to the agenda if requested by at least two Directors. In

consultation with the CEO, the Chairman may also add any items to the agenda that he sees fit.

Board members are expected to attend all meetings. On the condition that the Chairman grants his/her approval, a Director who cannot be physically present may participate in the deliberations and voting by telephone or videoconference. Any Director who is unable to attend the meeting may be validly represented by another Director by special proxy.

The Board may invite to its meetings anyone whose presence it considers useful.

## ***2. Notice period of Board meetings and prior distribution of documents***

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As a rule, the Directors must be notified of the meeting at least 1 week in advance. However, this period can be shortened if (i) the Chairman and the CEO both decide that this short notice period is necessary due to unforeseen circumstances and in the Company's interest, or if (ii) all the Directors agree to this shorter notice period.

The Board may also meet at any time without notice if all the Directors agree with the meeting's agenda.

The notice shall include the time and place of the meeting, as well as the agenda.

The information and the data that the Directors need in order to fully understand the items on the agenda, as well as the final version of the draft minutes of the previous meeting, is made available for review to each Director at the end of the week prior to the meeting. Together with the documents provided to the Directors, a board paper is also submitted for review containing advice from the Group Corporate Affairs departments concerned and, if relevant, the Finance department. If, however, the supporting documentation is of a very sensitive or confidential nature, the Chairman must ensure that no copies are distributed, but that the Directors can see such documents prior to the meeting. The Directors are expected to have examined the documents before the meeting. If the matter is too sensitive to be written down, it will be discussed in the meeting.

## ***3. Quorum***

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In accordance with article 23, section 1 of the bylaws, except in the event of force majeure, the Board may only deliberate and validly adopt resolutions if at least half of its Directors are present or represented. If this quorum is not reached, a new meeting must be convened. If at least one-third of the Directors are present or represented, the second meeting may deliberate and validly decide on the items on the agenda of the previous meeting.

All resolutions of the Board are adopted by simple majority of votes cast by the Directors who are present or represented at the meeting. Otherwise, in accordance with article 23, section 2 of the bylaws, the following resolutions require a two-third majority of the votes cast by the Directors present or represented:

1. resolutions referred to in article 35, section 3, subsection 1, 2°, of the Law of 21 March 1991;
2. resolutions on the use of authorized capital when this would involve the restriction or withdrawal of shareholder pre-emptive rights, as defined in article 5, section 1, 1° - 2°, of the bylaws;
3. resolutions to acquire or transfer the Company's own shares, pursuant to article 13 of the bylaws;
4. resolutions to approve or amend the management agreement.

In the event of a tied vote, the Chairman or, in his absence, the Director replacing him, has the casting vote.

Important decisions of the Board – including, but not limited to, decisions relating to the business plan, the annual budget, financial reports, strategic transactions and changes to important principles relating to the functioning of the Board, as laid down in this Charter, as well as the composition and core tasks of each Board committee – must have the support of a broad

support<sup>1</sup> within the Board, and must be prepared by permanent or *ad-hoc* Board committees, composed of a significant number of non-executive, independent Directors in the meaning of article 7:87 of the Belgian Companies and Associations Code.

#### **4. Written resolutions of the Board**

In accordance with article 23, section 3 of the bylaws, under exceptional circumstances where there is a need for urgent action to protect the interests of the Company, resolutions of the Board may be adopted if the Directors give their unanimous written consent thereto. The written resolutions procedure of the Board is not permitted for the following resolutions: the closing of the annual accounts, the use of authorized capital, the approval of the management agreement and any amendments thereto, and the drawing up of the business plan.

#### **5. Ratification of decisions taken**

In accordance with article 27 of the bylaws, the Company is validly represented by two Directors acting jointly.

Within this framework and only in exceptional cases requiring an immediate commitment from the Company to serve its best interests, the Chairman and the CEO may commit the Company towards third parties in matters which would normally be preceded by a formal Board decision. In case of absence or unavailability of the Chairman and/or the CEO, a Director may be requested to sign on behalf of the Company. Such commitments are submitted for ratification to the Board at the next regularly held Board meeting during which the CEO explains the exceptional circumstances to the other Board members.

#### **6. Minutes of the meeting**

The English version of the draft minutes of each meeting are provided to the Board members for comment and approval as soon as possible.

The minutes are drafted in English and contain a Dutch and French translation of the decisions taken by the Board. They are submitted for final approval and signature at the next meeting.

### **VI. BOARD COMMITTEES**

In accordance with article 25, section 2 of the bylaws, the Board has set up an Audit and Compliance Committee and a Nomination and Remuneration Committee. The Board also has set up a Transformation and Innovation Committee.

The Board may set up, from among its own members, such advisory committees as it deems fit.

The principles relating to the composition, tasks and functioning of these committees are set out in their respective charters. The charters are approved by the Board by simple majority vote, on the recommendation of the relevant committee. Each committee must evaluate its charter regularly and make recommendations to the Board about any changes that may be necessary.

### **VII. EXTERNAL ADVICE**

The Board, its Chairman and its committees may call on external advisers, experts, consultants and other Board members, if required for the performance of their tasks. The Board delegates, particularly to the committees, the power to approve, in a binding way for the Company, all conditions, and to agree to all compensations in this framework, within the limits of the annual budget allocated by the Board for

<sup>1</sup> A broad support is a qualitative concept that refers to effective decision-making on the basis of a constructive dialogue between the Board members.

this purpose. The Secretary General is charged with the coordination of the recruitment initiatives of the different Board committees with a view to ensuring cost-efficiency and avoiding duplication of effort.

## VIII. COMMUNICATION

### **1. Access to management**

After receiving the necessary information for a Board or a Committee meeting, the Directors are entitled to ask for clarifications and explanations where necessary. Only the Chairman and the CEO may communicate directly with management to ask for additional information. The other Directors must ask their questions through them or through the Secretary General.

### **2. Interaction with third parties**

Directors are bound by a duty of discretion and confidentiality regarding the information that they have obtained for the performance of their tasks. Unless the Board decides otherwise, individual Directors must refrain from communicating on behalf of the Company with third parties, including press. The general duty of discretion and confidentiality as well as the particular requirements relating to confidential information are described in the “Board policy on discretion and confidentiality” which is applicable to all Directors upon acceptance of their Board mandate.

## IX. EVALUATION OF PERFORMANCE

### **1. Evaluation of the Board and its committees**

Under the leadership of the Chairman, the Board shall at least every three years evaluate its scope, composition, functioning and that of its committees, as well as the interaction with the executive management. The evaluation will be carried out through a formal process, whether or not externally facilitated, in accordance with a methodology approved by the Board.

### **2. Non-executive sessions**

Non-executive Directors regularly evaluate their interaction with the executive management. To this end, they must meet at least once a year without the CEO. Action can only be taken, however, by the Board.

Every year, at the end of January, the committee chairmen will submit their annual reports to the Chairman of the Board.

### **3. Results of the evaluation**

The Chairman of the Board must follow up the results of the performance evaluation by acknowledging the strong points of the Board and resolving any weak points.

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