

APPENDIX 4 TO THE CORPORATE GOVERNANCE CHARTER



TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Initial version approved by the Board of Directors on 4 October 2007. Current version approved by the Board of Directors on 6 February 2017.

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INTRODUCTION

These terms of reference are part of the CG Charter of the Company.

In these terms of reference a number of terms are used, some printed in capitals, that are not defined in these terms of reference. A definition of these terms is provided in the glossary contained in article 1 of the CG Charter.

1. COMPOSITION

- 1.1 The members of the Audit Committee are appointed by the Board of Directors and may at any time be dismissed by the Board of Directors.
- 1.2 The Audit Committee is composed of minimum three and maximum five members, which all must be non-executive members of the Board of Directors. At least one member of the Audit Committee is an independent director in accordance with article 526ter of the Belgian Companies Code and has the required expertise in the field of accounting and auditing.
- 1.3 Expertise in the field of accounting and auditing means a certificate of higher education in economic or financial science or relevant professional experience in these areas.
- 1.4 The chair of the Audit Committee is filled by one of the members of the Audit Committee. Without prejudice to article 526bis§3 of the Belgian Companies Code the Chairman of the Board of Directors should not chair the Audit Committee.
- 1.5 The term of the mandate of a member of the Audit Committee cannot exceed the duration of his or her mandate as a director.
- 1.6 The Secretary of the Company acts as secretary of the Audit Committee. The Secretary of the Company may delegate his or her duties pursuant to these terms of reference, or parts thereof, to a substitute appointed by him in consultation with the chairman of the Audit Committee.

2. POWERS

2.1 Role of the Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its supervisory duty with a view to control in the broadest sense.

2.2 Duties of the Audit Committee

The Audit Committee is the principle contact of the internal audit function (if an independent internal audit function has been set up) and the Statutory Auditor. Without prejudice to the legal responsibilities of the Board of Directors the Audit Committee is responsible for working out a long term audit program covering all the activities of the Company and is particularly responsible for:

- (a) Determining the internal financial reporting to the Board of Directors.

The Audit Committee supervises the financial reporting to the Board of Directors and formulates concrete proposals with regard to this. The Audit

Committee checks to ensure that the financial reporting to the Board of Directors provides sufficient insight into the financial situation and the prospects of the Company, at business unit level.

(b) Monitoring the financial reporting process

The Audit Committee monitors the integrity of the financial information provided by the Company: the Audit Committee checks to ensure that the financial reporting presents a truthful, honest and clear picture of the situation and of the Company's prospects, on a singular and consolidated basis. In its monitoring the Audit Committee particularly assesses the relevancy and coherence of the standards for the annual accounts applied by the Company and its group. This assessment contains the criteria for the consolidation of the annual accounts of the companies in the group. The Audit Committee checks the accuracy, the completeness and the consistency of the financial information.

Among other things this duty includes the verification of the periodic information before this is disclosed and the assessment of the relevancy and consistency of the accounting standards applied, the impact of new accounting rules, how 'estimates' are dealt with in the annual accounts, prognoses, work in this area performed by the internal audit function (if an independent internal audit function is set up) and the Statutory Auditor, etc.

The Audit Committee discusses the significant issues related to financial reporting with both the Executive Committee and the Statutory Auditor.

Appendix 1 contains guidelines for the Audit Committee's supervision of the financial reporting.

(c) Monitoring the effectiveness of the Company' internal control and risk management systems.

At least once a year the Audit Committee evaluates the systems of internal control and risk management that have been put in place by the Executive Committee. It must check to ensure that the principle risks are adequately identified, managed and communicated to it in accordance with the system approved by the Board of Directors.

The internal control also includes the assessment and approval of the explanation of the internal control and risk management in the CG Statement, and an evaluation of the specific rules according to which employees of the Company can confidentially express their concerns about possible irregularities regarding financial reporting or other matters ('whistleblowing scheme'). The Audit Committee shall ensure that this scheme is brought to the attention of all Company employees and employees of its subsidiary companies. Should this be deemed necessary, the Audit Committee arranges for rules to be drawn up for an independent enquiry and an appropriate follow-up to these matters proportional to the alleged severity thereof.

(d) Monitoring the internal audit and its effectiveness

The Audit Committee annually assesses the need for the internal audit function and advises the Board of Directors about this annual assessment by the Audit Committee.

If an independent internal audit function has been set up, the Audit Committee ensures that it has the know-how and resources at its disposal that are adapted to the nature, the size and the complexity of the Company.

The Audit Committee approves any appointments or dismissals of the internal auditor as well as the program of work and the budget of the internal audit. It evaluates the effectiveness of the internal audit function taking into account the complementary role played by the internal and external audit functions.

The Audit Committee receives internal audit reports or a periodic summary thereof.

The internal audit has unrestricted access to the chairman of the Audit Committee (if an independent audit function has been set up) to discuss matters pertaining to the internal audit of the Company.

Appendix 2 contains a guideline for the Audit Committee's evaluation of the effectiveness of the internal audit (if an internal audit function has been set up), the internal control, the systems for risk management and the systems for guaranteeing compliance.

- (e) Monitoring the statutory audit of the Annual Accounts and the consolidated annual accounts, including following up the questions and recommendations of the Statutory Auditor.

Without prejudicing the statutory provisions pursuant to which the Statutory Auditor presents the Company organs with reports or warnings, the Statutory Auditor reports to the Audit Committee on important issues that have come to light while performing the statutory audit of the annual accounts and more specifically on serious failures in the internal control with respect to the financial reporting.

The Audit Committee follows-up the work program of the Statutory Auditor and ensures the effectiveness of the external audit process and ensures that the management follow the recommendations formulated by the Statutory Auditor in his management letter.

The Audit Committee ensures that the audit itself and the reporting on it pertain to the group as a whole.

The Audit Committee determines how the Statutory Auditor is involved in the content and disclosure of financial notices concerning the Company, other than the Annual Accounts.

Appendix 3 contains a guideline for the Audit Committee's supervision of the Company's relationship with the Statutory Auditor and control over the independence of the Statutory Auditor.

- (f) Assessing and monitoring the independence of the Statutory Auditor with particular focus on the provision of additional services to the Company.

The Audit Committee makes recommendations to the Board of Directors regarding the selection, the appointment and the re-appointment of the Statutory Auditor and regarding the terms governing his or her appointment. These recommendations are put to the general meeting. The proposal of the

Audit Committee regarding the appointment of the Statutory Auditor is placed on the agenda of the general meeting of shareholders. This also applies with respect to the renewing of this appointment.

The Statutory Auditor:

- Annually confirms his independence vis-à-vis the Company in writing to the Audit Committee;
- Makes an annual statement to the Audit Committee of all the additional services performed for the Company;
- Discusses issues that may threaten his independence with the Audit Committee as well as the preventive measures taken to restrict these threats, as required by them.

The Audit Committee monitors the independence of the Statutory Auditor. To this end the Statutory Auditor provides the Audit Committee with a report containing a description of all the connections the Statutory Auditor has with the Company and its group. The Committee assesses the effectiveness of the external audit, taking into account the relevant statutory and professional standards.

The Audit Committee monitors the nature and scope of the additional services that have been performed by the Statutory Auditor. The Audit Committee presents an official policy plan to the Board of Directors which it applies stating the additional services which:

- Are excluded;
- Are permitted after being assessed by the Audit Committee, and
- Are permitted without being referred to the Audit Committee, taking into account the specific requirements set out in the Belgian Companies Code.

3. MEETINGS

3.1 Members of the Audit Committee are allowed to participate in a meeting by means of telephone conferencing or any other communication medium.

3.2 A meeting of the Audit Committee is only valid if at least half of its members are physically present.

3.3 Decisions of the Audit Committee are taken by a majority of its members. In the case of an equality of votes, the chairman of the Committee has a casting vote.

The Chairman of the Board of Directors and the CFO have a standing invitation to attend the Audit Committee's meetings unless the Audit Committee wishes to meet alone. The Audit Committee may select other persons to attend its meetings.

3.4 Each meeting of the Audit Committee will be minuted and these minutes will be used by the chairman of the Audit Committee to inform the Board of Directors.

3.5 The Audit Committee will meet at least 4 times a year and as often as the chairman of the Audit Committee or 2 of its members deem necessary. It reviews its terms of reference, evaluates its own effectiveness and makes recommendations to the Board of Directors concerning necessary changes on a regular basis (and at least every two to three years).

- 3.6** The Statutory Auditor will provide at least 3 times a year a report to the Audit Committee (half year figures, annual figures and evaluation of the internal audit).
- 3.7** The Audit Committee will always meet prior to the external communication of the final (audited) half-year and annual figures.
- 3.8** A secretary to the Audit Committee is appointed.
- 3.9** The minutes of the Audit Committee are forwarded to the members of the Audit Committee as well as to the other members of the Board of Directors.
- 3.10** At least twice a year, the Audit Committee must meet the Statutory Auditor and the internal auditor (if an independent internal audit function has been set up) to discuss matters relating to its terms of reference, issues falling within the powers of the Audit Committee and any issues arising from the audit process.

The Statutory Auditor may request the chairman of the Audit Committee to be authorized to attend a meeting of the Audit Committee.

- 3.11** The Audit Committee is automatically entitled to receive all information required for the performance of its duties from the Board of Directors, the Executive Committee and employees of the Company. The Audit Committee can request any (senior) employee of the Company, the CEO, the internal audit manager (if an independent internal audit function has been set up), the external legal advisors or the Statutory Auditor to attend a meeting of the Audit Committee or to consult with members or advisors of the Audit Committee.
- 3.12** The Audit Committee may seek professional external advice at the expense of the Company on subjects that fall within the scope of its competence after the Chairman of the Board of Directors has been informed.
- 3.13** All members of the Audit Committee have access to the books, data and offices of the Company, and are authorized to have discussions with the managers and employees of the Company, to the extent that this may be necessary or useful for the proper performance of their duties. Each member of the Audit Committee may exercise this right in consultation with the chairman of the Audit Committee.
- 3.14** All members of the Audit Committee will notify the Audit Committee of:
- any personal financial interest (except as a shareholder) in any matter to be decided by the Audit Committee; or
 - any possible conflict of interest that might arise as a result of other positions held by this member.
- 3.15** Meetings of the Audit Committee are in principle convened by the secretary of the Audit Committee in consultation with the chairman of the Audit Committee. Each member of the Audit Committee may have a meeting convened.

Except in urgent cases (the chairman of the Audit Committee shall determine such) the agenda for the meeting shall be sent to the members of the Audit Committee at least two calendar days prior to the meeting. Wherever possible written explanations

are provided with respect to each item on the agenda and the relevant documentation is attached.

If all members are present (physically present, by telephone conferencing or by means of some sort of communication medium) the Audit Committee can validly deliberate and compliance with the formalities for convening the meeting need not be verified.

4. MISCELLANEOUS

- 4.1** The Audit Committee must annually check and review the adequacy of these terms of reference and its own effectiveness, report the results of this review to the Board of Directors and may recommend any necessary changes.
- 4.2** The Board of Directors may modify these terms of reference at all times and may revoke the powers granted to the Audit Committee.
- 4.3** These terms of reference as well as the composition of the Audit Committee must be posted on the website of the Company. The composition of the Audit Committee must also be included each year in the Corporate Governance Statement in the Company's Annual Report.

APPENDIX 1

GUIDELINE FOR THE SUPERVISION OF FINANCIAL REPORTING

- (1) Meet with the Board of Directors and the Statutory Auditor and to discuss and evaluate the financial annual reports that have been audited by the Statutory Auditor, including notices made in management interviews, analyses etc.;
- (2) Meet with the Board of Directors and the Statutory Auditor to discuss and evaluate the interim financial reports prior to these being disclosed, including the results of the Statutory Auditor's evaluation of the interim financial reports;
- (3) Meet with the Board of Directors and the Statutory Auditor to discuss significant items in the financial reports and comments regarding the drafting of the Company's financial notices, including the quality of the income, substantial differences between planned and actual performance, major changes in the selection of or application of accounting principles by the Company, matters related to the adequacy of the internal control mechanism of the Company and special steps taken in light of control failures;
- (4) Assess and discuss reports from the Statutory Auditor on:
 - (a) all main aspects of the accounting policy and methods applied;
 - (b) the processing of information contrary to the generally accepted accounting principles which have been discussed with the Board of Directors or one of its members, the consequences of the use of such contrary disclosures or processing and the processing desired by the Statutory Auditor; and
 - (c) other important written communications between the Statutory Auditor and the Board of Directors or one of its members, such as for instance management letters.
- (5) Meet with the Board of Directors to discuss (i) Company press releases about its income, including the use of information that is contrary to the generally accepted principles of accounting, and (ii) plans and policy of the Company relating to comments made by analysts and rating bureaus on financial information and income;
- (6) Meet with the Board of Directors and the Statutory Auditor to discuss the consequences of initiatives in the field of legislation and regulations as well as of 'off-balance' structures for the Company's financial reporting;
- (7) Meet with the Board of Directors to discuss the most important financial risks to which the Company is exposed and the steps taken by the Board of Directors to monitor and manage the risks, including the risk assessment and risk management policy.

APPENDIX 2

GUIDELINE FOR THE EVALUATION OF THE EFFECTIVENESS OF THE INTERNAL AUDIT, THE INTERNAL CONTROL, THE SYSTEMS FOR RISK MANAGEMENT AND THE SYSTEMS FOR GUARANTEEING COMPLIANCE

- (1) Request documents, reports and other relevant information concerning the internal audit (if an independent internal audit function has been set up), the internal control, the systems for risk management and for the guaranteeing of compliance;
- (2) Meet with the employees of the Company responsible for the internal audit (if an independent internal audit function has been set up) and the internal control with a view to obtaining additional information and explanations, and note accounts rendered by them with respect to problems, defects or mistakes in the internal audit and the internal control;
- (3) Meet with the Executive Committee responsible for the systems of risk management with a view to obtaining additional information and explanations and note accounts rendered by them with respect to problems, defects or mistakes in the systems for risk management;
- (4) Meet with the compliance officer to discuss (i) the Rules to prevent market abuse, (ii) the shortcomings in the Rules, (iii) any infringements of the Rules;
- (5) Obtain reports from the Board of Directors, the internal auditor (if an independent internal audit function has been set up) and the Statutory Auditor stating that the Company and its Subsidiaries comply with the applicable legislation and regulations and internal rules of the Company;
- (6) Meet with the Board of Directors and the Statutory Auditor to discuss correspondence with legislating and government authorities and disclosed reports containing matters with material significance concerning the financial notices of the Company or its accounting policy;
- (7) Meet with the relevant persons from the legal department of the Company to discuss legal affairs that may materially affect the financial notices or the policy of the Company with respect to compliance with legislation and regulations;
- (8) Meet with the Board of Directors to discuss the results of the enquiry into the effectiveness of the internal control, the systems for risk management and for the guaranteeing of compliance and formulate proposals for improvement to the Board of Directors;
- (9) Advise the Board of Directors on policy and procedures of the Company for compliance with applicable legislation and regulations.

APPENDIX 3

GUIDELINE FOR THE SUPERVISION OF THE RELATIONSHIP OF THE COMPANY WITH THE STATUTORY AUDITOR AND CONTROL OF THE INDEPENDENCE OF THE STATUTORY AUDITOR

- (1) Assess and evaluate the Statutory Auditor and the foremost partner of the Statutory Auditor's control team;
- (2) Obtain and assess a report from the Statutory Auditor (at least once a year) on (i) the internal quality control procedures applied by the Statutory Auditor, (ii) matters of material significance observed during the most recent assessment of the internal quality control at the office of the Statutory Auditor or during a comparison with similar offices, or during any enquiry carried out by a government authority or any professional organisation in the last five months by reason of one or more revision controls carried out by the office, (iii) the steps taken to improve these matters, and (iv) all relations between the Statutory Auditor and the Company;
- (3) Assess the qualifications, the functioning and the independence of the Statutory Auditor, assess whether the quality controls of the Statutory Auditor are adequate and whether the provision of permitted non-audit services is consistent with the independence of the Statutory Auditor, taking the vision of the Board of Directors and the internal audit function into account;
- (4) Supervise the periodic rotation of the foremost (or coordinating) partner, who has first responsibility for the revision control and the partner who is responsible for the assessment of the revision control, as well as other members of the Statutory Auditor's office, with a view to independence of the Statutory Auditor;
- (5) Assess and annually discuss the internal guidelines and the independence (as set out in legislation or regulations and the policy of the Company regarding the independence of the Statutory Auditor) of the control process with the Statutory Auditor, the internal audit function and the Board of Directors;
- (6) Meet with the Statutory Auditor beforehand to discuss the planning, scope and personnel deployment with regard to the revision control;
- (7) Assess the appointment and replacement of the internal auditor (if an independent internal audit function has been set up);
- (8) Assess the most important reports to the Board of Directors that are drawn up by the internal audit function and the Board of Directors' response to these;
- (9) Discuss the responsibilities of the internal audit function, the budget and the deployment of personnel with the Statutory Auditor and the Board of Directors, as well as any proposed changes to the planned scope of the internal revision control.

APPENDIX 4

POLICY ON THE PROVISION OF NON-AUDIT SERVICES BY THE STATUTORY AUDITOR

The Statutory Auditor provides the Company with a number of non-audit services. Each assignment must be approved beforehand by the CFO.

Each semester the non-audit services are explained to the Audit Committee.

The one-to-one cap is strictly applied here in the context of the independence of the Statutory Auditor.