

**APPENDIX 6 TO THE CORPORATE GOVERNANCE CHARTER**



<p><b>TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE</b></p>
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## **APPENDIX**

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## **Introduction**

These terms of reference are part of the CG Charter of the Company and are a supplement to the terms for the Executive Committee and its members as included in the applicable legislation, regulations and the articles of association of the Company.

In these terms of reference a number of terms are used, some printed in capitals, which are not defined in these terms of reference. These terms are defined in the glossary contained in article 1 of the CG Charter.

### **1. COMPOSITION**

**1.1** The Executive Committee consists of several persons, whether or not directors of the Company.

**1.2** The Executive Committee is chaired by the CEO of the Company.

### **2. APPOINTMENT**

**2.1** The members of the Executive Committee are appointed and may at any time be dismissed by the Board of Directors. The Board of Directors appoints them based on the recommendations of the Nomination- and Remuneration Committee. All executive directors are members of the Executive Committee.

**2.2** The members of the Executive Committee are appointed for a period of four years.

**2.3** The appointment and dismissal of the members of the Executive Committee are published in a similar way as the appointment and dismissal of directors.

**2.4** A list of the members of the Executive Committee is published in the CG Statement

### **3. POWERS OF THE EXECUTIVE COMMITTEE**

#### **3.1 The role of the Executive Committee**

The Executive Committee is responsible for the management of the Company.

The Executive Committee exercises the management powers delegated by the Board of Directors to the Executive Committee. These powers cannot relate to the general policy of the Company or any other actions that are reserved to the Board of Directors on the basis of legal provisions or the articles of association of the Company.

Appendix 1 contains a non-exhaustive list of examples of powers that are reserved to the Board of Directors.

#### **3.2 Duties of the Executive Committee**

The Executive Committee has the following duties:

(a) It exercises the most extensive powers related to the daily management. These powers include, but are not limited, to:

- signing daily correspondence.

- acting in the name of and for the account of the Company with respect to the state, the communities and regions, the provinces and communal authorities, the company desks, the customs and tax authorities, the postal service and any other public services and authorities.
  - negotiating, signing and accepting all price offers, contracts, purchase orders or sales orders of all materials, services, goods, products and utilities of and for the Company.
  - enrolling the Company as member for all relevant professional and trade organizations.
  - representing the Company at employer organisations and trade unions.
  - taking all necessary or useful measures for executing the decisions and recommendations of the Board of Directors.
  - delegating one or several of these powers to staff members of the Company or any other persons.
  - drafting and signing all necessary or useful documents for exercising the powers of daily management.
- (b) It has the most extensive powers in preparing, budgeting, developing and executing (legal) actions that are directly or indirectly related to the matters mentioned hereafter, to the extent that these powers are exercised within the limits of the general and strategy policy as defined by the Board of Directors and to the extent that they have not been explicitly reserved to the Board of Directors according to the Belgian Companies Code:
- mergers, acquisitions, investments and divestitures;
  - research and product development;
  - distribution, purchase and manufacturing;
  - marketing and sales;
  - logistics;
  - information technology;
  - accounting, administrative and financial matters;
  - treasury;
  - supervision and control of the business unit (managers);
  - legal affairs;
  - environmental affairs and permits;
  - insurances;
  - human resources;
  - fiscal matters and subsidies;
  - intellectual property.
- (c) It edits and publishes the press releases and Annual Accounts of the Company.
- (d) It exercises other powers and duties entrusted by the Board of Directors to the Executive Committee in specific cases upon the proposal of the CEO.

The Management Committee may seek professional external advice at the expense of the Company on subjects that fall within the scope of its competence.

## **4. OPERATION OF THE EXECUTIVE COMMITTEE**

### **4.1 Meetings**

- (a) The Executive Committee meets after being convened by the chairman of the Executive Committee or whenever a meeting is required in the interest of the Company, as well as within a fortnight following a meeting request by two members of the Executive Committee.
- (b) In principle, meetings of the Executive Committee are convened by the CEO. Each member of the Executive Committee can convene a meeting of this Committee.
- (c) The quorum is half the members of the Executive Committee, attending the meeting in person or by telephone/video conferencing.
- (d) The Executive Committee is a collegial body. Decisions must be taken by a majority of the votes cast by the members of the Executive Committee. In the case of an equality of votes, the CEO or the member of the Executive Committee who chairs the meeting has a casting vote. If this quorum is not met, a new meeting can be convened with the same agenda, which can validly deliberate and decide if at least 2 members of the Executive Committee are present or represented.
- (e) A secretary, who may or may not be the Secretary of the Board of Directors, will assist the CEO and the members of the Executive Committee in the organisation and operation of the Executive Committee.
- (f) The Chairman of the Board of Directors has a standing invitation to attend the meetings of the Executive Committee.
- (g) The Executive Committee may invite other persons to attend its meetings.
- (h) Each member of the Executive Committee may authorise another member by letter, fax or e-mail or in any other written way to participate in the deliberations and decisions in the Executive Committee.
- (i) Exceptionally, if required by urgent necessity and in the interest of the Company, decisions of the Executive Committee may be taken by unanimous written agreement of the Executive Committee. Evidence of this agreement must be provided by all members signing a single document recording the decision or different copies of that document. Such a written decision is considered to be taken on the date when the last signature is provided.

### **4.2 Reporting to the Board of Directors**

- (a) The CEO or another member of the Executive Committee designated by the CEO must draw up a report on the deliberations and decisions of every Executive Committee meeting. He or she must provide all members of the Executive Committee and of the Board of Directors with such report.
- (b) If requested, the CEO must provide detailed information on the deliberations and decisions of the Executive Committee during the meetings of the Board of Directors.

#### **4.3 Conflicts of interest**

If a member of the Executive Committee has a direct or indirect interest relating to proprietary rights that conflict with a decision or action that falls within the powers of the Executive Committee, this member may not participate in the deliberations or votes of the Executive Committee on these actions or decisions. The other formalities defined in article 542ter of the Belgian Companies Code must also be complied with.

#### **4.4 Discharge**

The Board of Directors who decided on the approval of the Annual Accounts of the Company can, by separate voting, grant discharge to the members of the Executive Committee. This discharge is only valid if the information that was provided by the Executive Committee is correct and complete.

#### **4.5. Reporting to the Board of Directors**

The Executive Committee provides to the Board of Directors:

- on a monthly basis: turnover figures per country in each business unit, with YoY comparisons and comparison versus the budget as well as the YTD turnover figures in respect of the budget and the previous year;
- on a quarterly basis:
  - On a consolidated basis: complete profit and loss statement, cashflow statement and balance sheet
  - On a business unit level:
    - Profit and loss statement up to EBIT level; including identification of EBITDA/EBIT and REBITDA/REBIT (Corporate/HQ is separate BU).
    - Cashflow statement: operating working capital & capex
- immediate: commentary on events that may have an impact on the annual prognoses of the group.

### **5. REMUNERATION**

The Board of Directors determines the remuneration of the members of the Executive Committee based on the recommendations of the Nomination- and Remuneration Committee. The remuneration policy of the Company is described in the appendix to the terms of reference of the Nomination- and Remuneration Committee.

### **6. CODE OF CONDUCT**

- (a) Each member of the Executive Committee is expected to perform his or her duties in an honest, ethical and justified manner.

The first priority of all members of the Executive Committee is to protect the interests of the Company.

- (b) Each member of the Executive Committee undertakes, both during his or her membership of the Executive Committee and afterwards, not to disclose to anyone in any manner any confidential information with regard to the business of the Company or companies in which the Company has an interest that came to his or her knowledge within the normal scope of his

or her activities for the Company and that he or she knows is, or should know is, confidential, unless he or she has a legal obligation to disclose this information.

However a member of the Executive Committee is authorised to disclose the information described above to staff members of the Company and of companies in which the Company has an interest who need to be informed of such information in view of their activities for the Company or for the companies in which the Company has an interest.

No member of the Executive Committee is allowed to use the information described above to his or her own advantage.

- (c) Each member of the Executive Committee undertakes not to develop, either directly or indirectly, during the term of his or her mandate, any activities nor perform any actions that conflict with the activities of the Company or its Subsidiaries.
- (d) All members of the Management Committee are expected to comply with the Company's policy concerning transactions and other contractual ties between the Company and its directors and the members of the Executive Committee as set out in Appendix 2 of the Corporate Governance Charter.

## **7. MISCELLANEOUS**

- 7.1** The Executive Committee annually checks and reviews the adequacy of these terms of reference, reports the results of this review to the Board of Directors and recommends any necessary changes.
- 7.2** The Board of Directors may modify these terms of reference at all times and revoke the powers granted to the Executive Committee.
- 7.3** These terms of reference as well as the composition of the Executive Committee must be posted on the website of the Company. The composition of the Executive Committee must also be included each year in the CG Statement in the Company's Annual Report.

## **APPENDIX 1 to the terms of reference of the Executive Committee**

### **POWERS RESERVED TO THE BOARD OF DIRECTORS**

The Board of Directors has decided that, regardless the delegation of authorities to the Executive Committee, the Board of Directors maintains exclusive powers for:

- approving and monitoring budgets;
- supervising the balance sheet structure of the Company;
- defining and monitoring the general principles of the investment and divestiture strategy;
- the approval of the Board of Directors is required before a binding offer is made for a company or an activity (with a threshold of 10 million €). Before a definite acquisition agreement is signed the Board of Directors must give its official approval, obtain an update of the financial figures (incl. past results, business plan, valuation/return analysis), obtain a summary of any particular concerns/risks arising from the (financial, fiscal and legal) due diligence and obtain a summary of the SPA. This applies with respect to all acquisitions with a total acquisition sum in excess of 10 million €. With respect to acquisitions with a total acquisition sum of less than 10 million € the Board of Directors must give its approval as soon as possible after the definite acquisition agreement has been signed and receive the information stipulated above. Total acquisition sum means the value of the acquisition (including net debts), any sums to be paid at a later date, any earn-outs or other (monetary) obligations;
- appointing and deciding about the global remuneration as well as dismissing members of the Executive Committee;
- defining and monitoring the general principles of the treasury management;
- engaging commitments that are of extraordinary economic or strategy importance for the Company or its Subsidiaries;
- creating subsidiaries;
- defining the general social policy of the Company and its Subsidiaries;
- granting loans or credits to third parties;
- public or private offering of obligations and other financial instruments;
- the powers delegated to it by the general meeting such as the acquisition of treasury shares, authorized capital and the payment of interim dividends;
- drafting the statutory reports and proposals to the general meeting;
- defining, in general, the general and strategic policy of the Company.