

**CORPORATE GOVERNANCE CHARTER**  
**S.A. D'IETEREN N.V.**

**Approved by the Board of Directors on 28 February 2019**

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## 1. Introduction

In 2005, the Company decided to adhere to the Belgian Code of Corporate Governance. The application of these principles does however take into consideration the unique structure of the Company's share capital, with family shareholders owning the majority and having ensured the continuity of the Company since 1805. Derogations to the Code are set out in Section 5. The Corporate Governance Declaration included in the Annual Report provides all the information required by law.

## 2. Governance structure

### 2.1. Board of Directors

#### 2.1.1. Composition

On 28 February 2019, the Board of Directors consisted of:

- six non-executive Directors, appointed on the proposal of the family shareholders;
- five non-executive Directors, selected on the basis of their experience;
- the Managing Director, henceforth referred to as CEO or Group CEO.

Among the non-executive Directors, four meet the independence criteria defined by the Company Code, and four are women.

The Chairman and Deputy Chairman (or Chairmen) of the Board are selected among the Directors appointed by the family shareholders. The title of Honorary Director may be granted by the Board to a Director retiring from office, who may then participate in this capacity in some Board meetings when invited to do so by the Board. A retiring Chairmen may also be appointed Honorary Chairman by the Board.

#### 2.1.1.1 Criteria and procedures for appointment and reappointment

The tenure of Directors may not exceed four years. New Directors are appointed on the basis of objective criteria, with an age limit of 75. When it is deemed in the best interests of the Company, the Board of Directors may however make justified exceptions from these terms.

#### 2.1.1.2 Criteria of independence

The company applies the principles of independence set out in the Company Code and in the Belgian Code of Corporate Governance.

#### 2.1.1.3 Evaluation

On a regular basis – and at least once every three years – the Board assesses its size, composition, mode of operation, performance and relation with senior management and the specialised Committees, as well as each director's individual contribution to the functioning of the body, in order to continuously improve its effectiveness and its contribution to the proper governance of the company and the group. The Board meets once a year without the CEO in order to evaluate its interaction with the CEO.

#### 2.1.1.4 Induction of new directors

Under the guidance of the Chairman, new directors receive extensive information on the company and its activities, to ensure that they are able to perform their duties as effectively and as early as possible. They undertake an induction programme, the content of which is set by the Board based on advice from the Nominations and Remuneration Committee.

### 2.1.2 Mission

Without prejudice to its legal and statutory attributions and those of the General Meeting, the

role of the Board is to:

- determine the strategy and values of the Company;
- approve its plans and budgets;
- decide on major financial operations, acquisitions and divestments concerning the group and its subsidiaries;
- ensure that appropriate structures, processes and controls are in place in order to achieve the Company's objectives and properly manage risks;
- appoint the directors nominated by the Company for the boards of its main subsidiaries;
- appoint and remove the CEO and, based on his proposal, the other members of the Executive Committee and the CEOs of the Group's main subsidiaries, and determine their remuneration;
- monitor and review the performance of the daily management;
- supervise communication with the Company's shareholders and the other stakeholders;
- approve the Company's statutory and consolidated financial statements, as well as set the dividend which will be proposed to the General Meeting, in accordance with the dividend policy outlined in article 4.2.

#### 2.1.3 Role of the Chairman

The Chairman is responsible for ensuring the balanced composition and the conduct and smooth functioning of the Board. The Chairman, in coordination with the Deputy Chairman and the CEO, represents the company and maintains relations with important external partners. The Chairman maintains, directly and through the Strategic Committee, the competences of which are defined in article 2.1.7., a close dialogue with the Deputy Chairman, the CEO and the other members of the Executive Committee.

#### 2.1.4 Working procedures

The Board of Directors meets at least six times a year, with Directors authorized to attend the meetings via telephone or videoconference. Additional meetings are held when deemed necessary. Decisions of the Board of Directors are taken by a majority of votes, the Chairman having a casting vote in the event of a tie. The company secretary attends meetings and prepares draft minutes for approval by the Board at the next meeting. He/she helps the Chairman to prepare meetings, ensures that minutes are kept and made available to Directors, ensures that the Board functions properly and, in general, ensures compliance with the laws and regulations applicable to the Board.

#### 2.1.5 Delegation of powers

The company is duly bound to third parties by two Directors or, within the bounds of day-to-day management, by a member of the Executive Committee. The company is also duly represented by special representatives within the limit of their mandates. As regards the internal decision-making process, the dual signature principle is systematically applied except for matters of minor importance.

#### 2.1.6 Board Committees

The Board has set up three specialist specialised committees.

##### 2.1.6.1 Audit Committee

The Audit Committee comprises four non-executive Directors, at least one of which is independent, with collective expertise in the areas in which the Company is active, and at least one with proven expertise in accountancy and audit. The primary mission of the Audit Committee is to monitor the company's financial statements and supervise the risk management and internal control systems. The Committee reviews auditors' reports on the half-year and year-end financial statements of the subsidiaries that are consolidated into the Company's accounts. The Audit Committee meets at least four times a year, including once every half-year in the presence of the Statutory Auditor, and reports on its activities to the

Board of Directors. Two meetings are also dedicated specifically to the supervision of the risk management and internal control systems. The Audit Committee's Charter adopted by the Board is set out in Annex I.

#### 2.1.6.2 Nominations and Remuneration Committee

The Nominations and Remuneration Committee is made up of five non-executive Directors: the Chairman and Deputy Chairman of the Board and three independent Directors with specific expertise in remuneration policy. The Committee is chaired by the Chairman of the Board.

The Committee make proposals to the Board regarding appointments of non-executive directors, the CEO and, based on his proposal, of other members of the Executive Committee and the CEOs of the Group's main subsidiaries, who work together to ensure the Company has formal, rigorous and transparent procedures to support these decisions.

The Committee makes proposals to the Board regarding the remuneration of non-executive directors, the CEO and, based on his proposal, of other members of the Executive Committee and the CEOs of the Group's main subsidiaries and works to ensure the Company has formal, rigorous and transparent procedures to support these decisions. Decisions to appoint or remove directors of the Group's main operational entities are the object of preliminary information-gathering and discussion by the Nominations and Remuneration Committee. Their performance and remuneration are also reviewed by the Committee on a regular basis.

The Committee regularly reviews the systems and procedures for the appointment and remuneration of the directors of the Group's main operational entities as well as the corporate management team. The Committee also prepares the remuneration report and comments on it during the General Meeting.

The Committee also regularly reviews the appointments and remuneration policies in place at the Group's main operational entities and coordinates with the appointments and/or remuneration committees that exist at these entities.

The Nominations and Remuneration Committee meets at least four times a year and reports on its work to the Board of Directors. The Committee's Charter, approved by the Board, can be found in Annex II.

#### 2.1.6.3 Strategic Committee

The Strategic Committee is made up of at least five Directors, including the Chairman of the Board, the Deputy Chairman, two other Directors representing the family shareholders and the CEO. The Committee invites, either on a permanent or a temporary basis, any person that it considers useful for the efficient execution of its duties. Members of the Executive Committee other than the CEO are permanent members of the Strategic Committee. The Chair of the Strategic Committee, who is chosen from a list of Directors nominated by the family shareholders, presides over the Strategic Committee and sets the Committee's agenda in concertation with the Chairman of the Board and the CEO.

The Strategic Committee is in regular contact with the CEO and the other members of the Executive Committee. Its role, at the level of the Group and its subsidiaries, and in close interaction with the CEO and the other members of the Executive Committee, is to:

- discuss the Group's future development options;
- analyse the Group's long-term strategies and objectives with the Executive Committee prior to the latter's presentation to the Board of Directors;
- monitor the progress of strategic projects;
- analyse in preparation for Board meetings investment and divestment projects or any other project liable to have a material impact on the Group's financial structure;

- monitor market trends;
- prepare strategic points in preparation for Board meetings.

In coordination with the members of the Executive Committee, the Strategic Committee maintains close contact with the Group's operational entities and their Directors.

The Strategic Committee meets at least once a month, more frequently when the need arises, and reports on its activities to the Board of Directors. The Charter of the Committee, approved by the Board, can be seen in Annex III.

#### 2.1.7 Remuneration

The company pursues a remuneration policy designed to attract and retain members of the Board who are highly skilled in the various areas required for the profitable development of the company's activities. Non-executive Directors receive fixed annual remuneration, the amount of which is determined upon proposal of the Nominations and Remuneration Committee. Some non-executive Directors also receive additional fixed remuneration for specific duties as Chairman or Deputy Chairman of the Board or for membership of one or more Board committees.

#### 2.1.8 Code of conduct

##### 2.1.8.1 Conflicts of interest

Directors shall avoid being either directly or indirectly in a situation of conflict of interest with the company or a company that it controls. However, should such a situation arise, the director concerned shall inform the Chairman of any potential conflict of interest with the company and shall leave the meeting for the duration of the discussion relating thereto. His absence and its cause shall be recorded in the minutes of the meeting, without prejudice to the compliance with applicable legal obligations.

##### 2.1.8.2 Transactions in shares

As holders of inside information or information that has not been made public relating to one or more listed companies, directors are subject to the applicable legislation concerning insider dealing and market abuse. The rules of conduct applicable to the execution of their transactions in the shares of the company or companies concerned are set out in Annex IV.

##### 2.1.8.3 Transactions with the Company

In compliance with the rules applicable to conflicts of interest (cf point 2.1.8.1.), the Company also establishes rules of conduct governing transactions between a director and the Company or companies that it controls, as set out in Annex V.

##### 2.1.8.4 Duty of confidentiality

The directors undertake to maintain the confidentiality of any information they hold by virtue of their mandate, in compliance with the applicable legislation.

### 2.2 General management

#### 2.2.1 General management of the Group

General and day-to-day management of the Group is the responsibility of the CEO, who is assisted by a team.

The CEO proposes to the Board the appointment of one or several senior members of the corporate management team to form an Executive Committee that is chaired by the CEO. The

Executive Committee acts in a collegial manner and assists the CEO in the exercise of his mission.

The Executive Committee appoints and oversees a corporate management team that is responsible for the monitoring and growth of the Group's investments and matters pertaining to strategy, human resources, finance, M&A, financial communication and investor relations, consolidation, treasury, legal and tax affairs at the Group level.

One member of the Executive Committee is in charge of financial affairs, with the title of CFO or Group CFO. Another member is in charge of monitoring operations and the transformation of Group entities.

The role of the Group CFO is to:

- Define and propose to the Board of Directors, in coordination with the Strategic Committee, strategies that will contribute to the profitable growth of the Group;
- Implement decisions and strategies approved by the Board of Directors;
- Personify and communicate Group values, and, by his conduct, inspire executive management and senior employees;
- Appoint, evaluate and, if the need arises, remove (subject to the agreement of the Board of Directors) members of the Executive Committee, CEOs of the Group's main entities and board members of the main operational entities, and submit when necessary proposals for the attention of the Appointments and Nomination Committee concerning their development and remuneration;
- Provide the Board of Directors with the information necessary for the effective discharge of its duties and inform it of any initiatives and decisions taken in the performance of his duties;
- act as the Group's spokesperson.

The Board of Directors is responsible for signature authorisations within the Company and in particular those applicable to the CEO and the members of the Executive Committee within the framework of their day-to-day management of the Group.

### 2.2.2 General management of Group activities

On 1<sup>st</sup> January 2018, the D'leteren Group controlled three activities, each with its own structure and management: D'leteren Auto, Belron and Moleskine.

**D'leteren Auto** is managed by the CEO of D'leteren Auto, acting under the authority of the D'leteren Auto Board, which is made up of members of the Group Executive Committee and the CEO and CFO of D'leteren Auto, and presided over by the Group CEO. The Chairman and Deputy Chairman of the Board are regularly invited by the Group CEO to participate as observers at the D'leteren Auto Board meetings. The CEO of D'leteren Auto presides over the D'leteren Auto management committee, which oversees the company's automobile import and distribution activities in Belgium.

**Belron**, of which D'leteren S.A. held 54.11% of the capital on 28 February 2019, has a Board of Directors with six members, made up of members of the Group's Executive Committee, two representatives of CD&R (which held a 39.46% stake in Belron on 28 February 2019) and the CEO of Belron. The Belron Board of Directors is presided over by the Group CEO. The Chairman and Deputy Chairman of the Board are regularly invited by the Group CEO to participate as observers at meetings of the Belron board, which has two committees: the audit committee and the remuneration committee, each presided over by a director appointed by D'leteren S.A.

**Moleskine**, of which D'leteren S.A. holds 100% of the capital, has a Board of Directors comprising

six members: three are on the Group Executive Committee, the Chairman and CEO of Moleskine (who presides over the Board), the CEO and CFO of Moleskine. The Chairman and Deputy Chairman of the Board are regularly invited by the Group CEO to participate as observers in Moleskine Board meetings.

#### 2.2.3 Criteria and procedures for appointments and remuneration

The entire Group has in place formal procedures for evaluating the performance of directors, managers, senior personnel and other employees, on the basis of their duties and annual objectives. These evaluations are used by management committees or boards to make decisions related to the career development and remuneration of these personnel. Members of the Executive Committee communicate constantly with the management teams of Group businesses on policies related to appointments, remuneration, leadership, culture and values and their evaluation. The results of the evaluation of the executive managers of the Group's different entities are reported to the D'leteren S.A. Nominations and Remuneration Committee.

#### 2.2.4 Remuneration

The group pursues a policy of remuneration designed to attract and retain within the various activities managers with suitable profiles and to motivate them with adequate incentives. This policy is supported by external equity criteria based on comparable functions outside the Group as well as on internal equity criteria, between colleagues within the company and pay equality, particularly between men and women. The remuneration paid to managers comprises a fixed (monthly salary, group insurance and, as the case may be, directorships in subsidiaries) and a variable component (an annual or multi-annual premium, or stock options) linked to the performance of the company and their individual performance over the short, medium and long term.

#### 2.2.5 Code of conduct

The code of conduct applicable to directors covering transactions in shares, transactions with the company and confidentiality are also applicable to members of the Group Executive Committee (cf. point 2.1.8.2 to 2.1.8.4 and Annexes IV and V).

### 3. Shareholder structure

#### 3.1. Capital and shares

At 1 January 2018, the share capital amounted EUR 160,003,057.23, represented by 55,302,620 fully paid up ordinary shares with no indication of nominal value. There were also 5,000,000 participating shares with no indication of nominal value, which are not representative of the share capital and to which voting rights are attached.

The Extraordinary General Meeting of 5 June 2014 furthermore granted the Board of Directors the authorization for another period of five years to increase the capital by a maximum amount of EUR 60,000,000. The Extraordinary General Meeting of 1 June 2017 authorised, for another period of three years, in the event of a public take-over bid on shares issued by the Company, capital increases by contributions in kind or in cash imputed to the authorized capital, by either limiting or cancelling preferential subscription rights.

#### 3.2 Declaration of transparency

Pursuant to the applicable legislation, any shareholder whose share in the company's capital, taken alone or as part of an action in concert, exceeds the limit of 5% of shares with voting rights or a multiple thereof, must lodge a declaration with the company.

At 31 December 2018 the share capital structure – in voting rights – is as follows, based on declarations received:

Nayarit Group	35.56%
SPDG Group	25.46%
Own shares	1.93%
Public	37.05%

The Nayarit and SPDG groups act in concert. The Company has no knowledge of any other shareholder pacts.

### 3.3 Relations with important shareholders

Six members of the Board of Directors are appointed upon the proposal of the family shareholders and some of their representatives also sit on the specialised Committees of the Board. The representatives of the family shareholders are also closely involved with Group affairs through their presence on the Strategic Committee.

## 4 Relations with shareholders and investors

### 4.1 Participation in general meetings

The Company's ordinary general meeting is held on the last Thursday of May at 3pm or, when this is a public holiday, on the next working Thursday at the same time.

Notices of meetings, special reports, specimen powers of attorney, information notes explaining draft resolutions, co-ordinated articles and other documents useful to shareholders' participation in general meetings are easily accessible since they are published within the legal deadlines on [www.dieteren.com](http://www.dieteren.com) under Shareholders/Shareholders' meetings. Entry requirements for meetings are stated in the notice of the meeting. The results of voting are published on the website.

### 4.2 Dividend policy

The Board of Directors intends to maintain its ongoing policy of providing the highest possible level of self-financing, which has supported the group's development, with a view to strengthening equity capital and maintaining strong financial ratios. Absent major unforeseen events, the Board is committed to paying out a stable, or, where possible, a steadily growing dividend.

### 4.3 Financial communication

The Company pursues an active financial communication policy in compliance with regulations pertaining to transparency and the sharing of complete and accurate information. In addition to the periodical information provided for according to the applicable regulations, the market is regularly informed of events of interest to shareholders and investors for the assessment of its performance or the performance of group companies and the value of the securities the Company issues. The website has continuously updated financial information that complements the information provided to shareholders and investors, who may ask questions or ask to receive documents by e-mail. Roadshows and presentations to investors and analysts are organised outside closed periods.

## 5 Derogations

The Company derogates from the Code on the following principles:

5.1. The directors appointed following nomination by the family shareholders are in a position to dominate the decision-making process.

In companies where family shareholders own a majority stake in the share capital, these shareholders do not have, unlike other shareholders, the right to sell their shares if they do not

agree with the decisions of the Board. Their par or majority representation on the Board gives them the possibility to influence decisions and thereby ensure the stability of the shareholder structure that is necessary to the profitable and sustainable growth of the Company.

The potential risk for the governance of the Company resulting from the dominance of a majority shareholder on the workings of the Board can be mitigated, on the one hand, by an appropriate use of this power by the directors concerned that respects the legitimate interests of the Company and the minority shareholders and, on the other hand, by the long-term presence of non-executive directors that do not represent the family shareholding, thereby guaranteeing a genuine dialogue within the Board.

5.2. The composition of the Audit Committee, which contains only one independent Director, derogates from the Belgian Corporate Governance Code, which recommends the presence of a majority of independent directors. The Board considers that the length of tenure does not affect the “independence in judgment and mind” of the Independent Directors and that their in-depth knowledge of the Company raises the level of Board discussions.

## **ANNEX I.**

### **CHARTER OF THE AUDIT COMMITTEE**

#### ***I. Introduction***

The Audit Committee is a specialised body of the Board of Directors, which adopts the Committee's Charter. The Audit Committee reviews its Charter annually and recommends any changes to the Board of Directors for approval.

The Audit Committee comprises four non-executive directors, of which one is independent, with established expertise in accounting and auditing, and is chaired by an independent director appointed by the Board of Directors who may not be the Chairman of the Board of Directors and who is appointed by the members of the Committee. The CEO and the CFO are also invited to the Committee's meetings, unless otherwise decided by the Committee.

#### ***II. Role***

The Audit Committee assists the Board of Directors in the exercise of its control responsibilities (in the widest sense) over the activities of the Company, in particular regarding financial information shared with shareholders and third parties and the monitoring of the Company's mechanisms for risk management and internal control. To this end, it maintains a close dialogue with the Company's internal and statutory auditors and ensures that their tasks are co-ordinated.

When performing duties related to the monitoring of group entities that have their own audit committees, the Audit Committee relies on the work and reporting of said committees, of which it is kept duly informed by the Group CFO.

#### ***III. Functioning of the Audit Committee***

##### ***1. Audit Committee planning, notices, agenda and attendance***

The Audit Committee meets at least four times a year and more frequently when deemed necessary. Members are expected to attend all meetings, which are called by the Chairman of the Committee, who prepares the agenda in concertation with the Group CEO and CFO.

The Audit Committee may invite the following persons to all or part of its meetings: the statutory auditor of the Company, the internal auditor, the management controllers, the finance directors and any staff member of the company or its main entities whose attendance is deemed useful. Executive managers do not necessarily participate in the meetings. The Committee may also seek the opinion and/or presence of outside experts, at the Company's expense.

At least twice a year, the statutory auditor is invited to attend the meetings of the Committee in order to discuss questions relating to the functioning of the Committee or any matters raised by the external audit. The Committee meets the statutory auditor once a year, together with the internal auditor of the Company, if any,, without the

presence of the management.

All internal auditors within the Group have direct access to the Group Audit Committee when they feel that direct contact is necessary.

## **2. Preparation of meetings**

Background documentation prepared by the CEO, the CFO or by any other person appointed by the Chairman of the Audit Committee and reviewed by the Chairman is sent to Committee members along with the notice of the meeting, in order to provide relevant information on the matters to be discussed. Members are expected to examine any documentation distributed prior to the meeting. Additional verbal information may be provided during the course of the meeting on points requiring a higher level of confidentiality.

The Audit Committee may request any additional information that it deems necessary.

## **3. Minutes of meetings**

The duties of secretary to the Audit Committee are performed by the same person who acts as secretary to the Board of Directors. He/she draws up and submits draft minutes to the committee members for their approval.

A summary of the minutes and the recommendations made therein by the Committee is sent to the Board of Directors, and the minutes are made available to the Board of Directors and the statutory auditor by the person acting as secretary to the Committee.

## **IV. Duties**

In the performance of its duties, the Audit Committee has the following responsibilities:

### **1. Financial reporting**

- a) To monitor the preparation of all financial information, and in particular, to examine, prior to publication, the integrity – meaning the exactitude, completeness and consistency – of the financial statements, press releases and any document intended for communication to third parties in relation to the financial performance of the Company or the Group, with particular emphasis on:
  - Any changes to the valuation rules and the related accounting principles/procedures;
  - The accounting choices made by management in the event of more than one possible treatment and the specific structures set up by it for the exercise of certain activities;
  - Any changes required by the statutory auditor;
  - Compliance with accounting standards and the relevant laws and regulations, in particular those applicable to listed companies.
  
- b) To draw up recommendations to guarantee the above-mentioned integrity.

The exercise of this responsibility takes into account the opinion of the CEO, the CFO and, as the case may be, the statutory auditor, based on an audit schedule approved by the Committee in relation to periodic information.

## **2. Internal control and risk management**

- c) To ensure that appropriate and efficient risk management and internal control systems are set up, including those relating to compliance with applicable legislation and the codes of conduct to which the Company and its main entities adhere, and to regularly ensure that these systems adequately identify and manage the main risks and bring them to the attention of the relevant Committee in a timely manner.
- d) To examine management decisions relating to the appointment or replacement of internal auditors and risk managers within the Company and the Group's main entities, as well as the annual budget allocated to them.
- e) To examine, based on the summary of their work that is provided by a member of the Group's Executive Committee, (i) the annual work programmes of the internal auditors and risk managers and (ii) their efficiency with regard to the objectives of their missions, particularly by analysing their modes of operation, the reach and pertinence of their interventions and the follow-up by management of their recommendations. Also, when necessary, to make recommendations.
- f) To review the statements to be published in the Annual Report on internal control and risk management mechanisms.
- g) To authorise and monitor the outcome of any enquiry undertaken within the Company following fraud, error or for any other reason, as well as any decisions taken by management on such occasions and, as appropriate, to formulate its own recommendations.
- h) To ensure the correct application of the policy established by the Board of Directors as regards transactions in shares of the Company by members of the Board of Directors and management.

## **3. External audit – monitoring of legal oversight of accounts**

- i) To make recommendations to the Board of Directors pertaining to the appointment of the Company's statutory auditor and the renewal of its mandate (in compliance with the legally-required selection procedures) or his eventual removal.
- j) To verify constantly the respect for the criteria of independence, in accordance with the applicable regulations. The Committee implements rules and procedures for the approval of the non-audit services provided by the statutory auditor and the analysis of his independence within the framework of these services. Every year, the statutory auditor confirms in writing to the Committee his independent status in relation to the Company.
- k) To monitor the legal oversight of the accounts by the statutory auditor, to approve his annual work programme, including thematic audit tasks, to receive his reports and monitor the response of management to his recommendations and questions.
- l) To examine, with the statutory auditor, the key questions raised by his mission as the legal overseer of the accounts, in particular pertaining to any significant

- weaknesses detected in the systems of internal financial control or accounting.
- m) To periodically review the effectiveness of the statutory auditor with regard to the objectives assigned to his task, notably by analysing operational procedures, the scope and relevance of his interventions and the responsiveness of management to his recommendations.

#### **4. Report on activities**

The Audit Committee shares the results of its work and its conclusions and recommendations to the Board of Directors after each meeting. In particular, it informs the Board of Directors about the conclusions of the legal oversight of the consolidated annual results and explains how this oversight has contributed to ensuring the integrity of the financial information and the role played by the Committee in this process.

## **ANNEX II**

### **CHARTER OF THE NOMINATIONS AND REMUNERATION COMMITTEE**

#### **1. Composition, chairmanship and functioning of the Committee**

- 1.1. The Committee is comprised of five non-executive Directors: the Chairman and Deputy Chairman of the Board and three independent Directors with expertise in remuneration policy.
- 1.2. The Chairman of the Board of Directors presides over the Committee.
- 1.3. The Committee meets at least four times a year, or as often as necessary for the efficient execution of its duties.
- 1.4. The CEO participates in the Committee's meetings when they discuss appointments and remuneration of the other members of the Executive Committee and the Directors of the Group's main entities or when he/she is invited to attend by the Committee.
- 1.5. The Chairman of the Board of Directors does not preside over the Committee when it is discussing the appointment of his/her replacement, though he/she may be involved in the discussion.
- 1.6. The Chairman and Deputy Chairman of the Board of Directors do not preside over the Committee when it is discussing their own remuneration, though they may be involved in the discussion.

#### **2. Missions of the Committee**

- 2.1. The Committee makes recommendations to the Board of Directors with regard to the appointment of non-executive directors, the CEO and, on the recommendation of the Group CEO, of other members of the Executive Committee and the CEOs of the Group's main entities.
- 2.2. The Committee leads the identification and selection process of candidates for the position of director and Group CEO.
- 2.3. The Committee, on the advice of the CEO, makes recommendations to the Board of Directors regarding the appointment of directors nominated by D'Ieteren S.A. to the boards of its main subsidiaries.
- 2.4. The Group CEO informs and consults the Committee in advance concerning the appointment and removal of the other managers of the Group's main entities. The Group CEO regularly informs and consults the Committee on their appraisal and remuneration.
- 2.5. The Committee periodically assesses the size and composition of the Board of Directors and its specialist committees and may recommend changes.
- 2.6. The Committee advises the Board of Directors concerning the remuneration policy and the remuneration of individual non-executive directors, the CEO and, on the recommendation of the CEO, the other members of the Executive Committee and the CEOs of the Group's main entities.
- 2.7. The Committee regularly reviews:
  - The size and composition of the key management and control bodies across the Group's main entities, the policies implemented in the Group's main operational entities in terms of the replacement of directors and the identification and development of their core objectives, cultures et values.
  - The systems and principles governing the appointment and remuneration of the management of the Group's main operational entities and the corporate team. The systems and principles of remuneration identify in particular the delegations, in terms of remuneration, which benefit the managers of the Group and its main entities as well as the associated budgets.
  - The evaluation and remuneration reports of the corporate team and the evaluation

and remuneration reports of the management team of the Group's main operational entities that are made available by the Group CEO or that are done by the relevant committee.

- 2.8. The Committee is informed and consulted annually by the Group CEO concerning the policy of evaluation and remuneration applicable to:
  - The Corporate team,
  - The managers of the Group's main operational entities.
- 2.9. The remuneration policy of the corporate team and the directors of the Group's main entities covers at least:
  - The main contractual terms, including pension plans and early retirement arrangements;
  - The determination of the fixed and variable components of annual remuneration and the formulas for the long-term profit sharing, granted in the form of stock options or other financial instruments;
  - The performance criteria used to grant the variable elements of remuneration.
- 2.10. The Committee prepares the remuneration report that is included by the Board of Directors in the Corporate Governance Declaration and comments on it during the General Meeting.
- 2.11. The Committee offers its conclusions, recommendations and/or propositions to the Board of Directors.

## **ANNEX III**

### **CHARTER OF THE STRATEGIC COMMITTEE**

1. Composition, chairmanship and functioning of the Committee
  - 1.2. The Strategic Committee consists of at least five directors: the Chairman and Deputy Chairman of the Board of Directors, two other Directors representing the family shareholders, and the CEO. The Strategic Committee invites, either on a permanent or a temporary basis, any person that it considers useful for the efficient execution of its duties. Members of the Executive Committee other than the CEO are permanent guests of the Strategic Committee.
  - 1.3. The Board appoints the Chairman of the Strategic Committee from a shortlist of directors nominated by the Directors representing the family shareholders. The Chairman of the Strategic Committee establishes the agenda of meetings in concertation with the Chairman of the Board of Directors and the Group CEO.
  - 1.4. The Strategic Committee meets at least once a month and more when deemed necessary by the Chairman of the Committee and the CEO.
2. Mission of the Committee:
  - 2.1. To maintain a regular contact with the CEO and the other members of the Executive Committee.
  - 2.2. At the level of the Group and its subsidiaries, and in close interaction with the CEO and the other members of the Executive Committee, to:
    - Reflect on the Group's direction for future development,
    - Analyse the Group's long-term strategies and objectives with the Executive Committee before the latter presents them to the Board of Directors,
    - Examine the progress of strategic projects,
    - Analyse for Board meetings investment and divestment projects or any other project liable to have a material impact on the Group's financial structure,
    - Monitor business trends,
    - Prepare strategic points for meetings of the Board of Directors.
  - 2.3. In close coordination with the members of the Executive Committee, the Strategic Committee maintains regular contact with the Group's operational entities and their directors. The members of the Strategic Committee are in regular contact, including visits, with the Directors of the Group's subsidiaries and their staff.
  - 2.4. The Committee offers its conclusions, recommendations and/or propositions to the Board of Directors.

## **ANNEX IV**

### **Dealing Code**

#### **I. Introduction**

This Dealing Code determines D'leteren's policy on the prevention of market abuse, as defined by the EU Regulation no. 596/2014 on market abuse and its European and Belgian transposition (the Market Abuse Regulation). The Code was last updated and approved by D'leteren's Board of Directors on 30 August 2018.

The Dealing Code aims to prevent the abusive use of Inside Information concerning D'leteren and to ensure that such information remains confidential.

Compliance with the rules contained in this Code does not exempt those concerned from complying with all other legal and regulatory provisions concerning market abuse. These regulations contain severe criminal and administrative sanctions and their violation may engage civil or criminal liability.

The Board of Directors has charged the Chief Legal Officer (CLO) with enforcing the rules defined in this Code.

#### **II. Executive summary of the main rules**

The principal rules of the Dealing Code are the following :

- Persons in possession of Inside Information (i.e. any non public information concerning D'leteren or D'leteren Securities of a precise nature and that may have a significant influence on the prices of D'leteren Securities were it to become public), may neither acquire nor sell, nor recommend to acquire or sell, said securities.
- Persons in possession of Inside Information shall ensure that such information remains confidential.
- Persons Discharging Managerial Responsibilities (PDMRs, i.e. notably Board members and members of the Executive Committee) and employees working within the D'leteren SA Corporate department may neither acquire nor sell, nor recommend to acquire or sell, D'leteren Securities, even if they are not in possession of Inside Information, during two 30-day closed periods prior to the publication of D'leteren's annual and half-year results.
- PDMRs and persons closely associated to them (notably close family members) shall notify the FSMA and D'leteren of all transactions they carry out in relation to D'leteren Securities.

This section only offers a summary of the rules of the Dealing Code. These rules are detailed in the following sections of this document, and contain important nuances, conditions and exceptions that should be taken into consideration. All questions concerning the Code or the MAR Regulation may be addressed to the CLO.

### III. Definitions

CLO:	Chief Legal Officer of D'leteren SA. All notifications and/or questions for the CLO should be sent to: <a href="mailto:legal.officer@dieteren.be">legal.officer@dieteren.be</a>
Closed Periods:	Periods of 30 calendar days preceding the publication of D'leteren's annual and half-year results.
Corporate Employee:	any individual working within the D'leteren SA Corporate department. An up-to-date list of the Corporate Employees is held by the CLO.
D'leteren Securities:	Any financial instrument issued by D'leteren SA (including, for example, shares, bonds, share options and warrants) or linked to such securities (a) that are traded on, admitted to or subject to an application for admission to trading on Euronext Brussels, another regulated market or a Multilateral Trading Facility (MTF), or (b) of which the price or value depends on the price or value of a security described in point (i) or which has an effect on such price or value.
Inside Information:	<p>Any information of a precise nature which has not been made public, relating, directly or indirectly, to D'leteren and/or D'leteren Securities, and which, if it were made public, would be likely to have a significant effect on the prices of the D'leteren Securities.</p> <p>Information is deemed as likely to have a significant effect on the prices of the D'leteren Securities when a reasonable investor would be likely to use it as part of the basis for his or her investment decisions.</p> <p>Information is deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the D'leteren Securities.</p>
Insider:	A PDMR, a Corporate Employee, an employee or a consultant who dedicates a significant proportion of his or her professional activities to D'leteren, who is in possession of Inside Information.
Closely Associated Persons ("CAP"):	<p>a) Spouses of a PDMR or a partner considered to be equivalent to a spouse in accordance with national law;</p> <p>b) Dependent children, in accordance with national law, of a PDMR;</p> <p>c) any other relative of a PDMR who has shared the same household for at least one year on the date of the relevant transaction; or</p> <p>d) a legal person, trust or partnership:</p> <ul style="list-style-type: none"> <li>- that is managed by a PDMR or a person described in points a), b) and c);</li> <li>- that is directly or indirectly controlled by a PDMR or a person described in points a), b) and c);</li> <li>- that has been set up for the benefit of a PDMR or a person described in points a), b) and c); or</li> </ul>

	<p>- with economic interests that are substantially equivalent to those of a PDMR or a person described in points a), b) and c).</p> <p>The names of all CAPs are drawn up in a list maintained by the CLO. This list is kept for a period of at least 5 years.</p>
Persons Discharging Managerial Responsibilities ("PDMR"):	<p>Any individual holding managerial responsibilities within the D'leteren group, i.e.:</p> <p>a) all members of the D'leteren SA Board of Directors;  b) all members of the D'leteren SA Executive Committee; or  c) any other senior manager who has regular access to Inside Information and the power to make management decisions affecting the future development and business prospects of D'leteren.</p> <p>The names of all PDMRs are drawn up in a list maintained by the CLO. This list is kept for a period of at least 5 years.</p>
Prohibited Periods:	<p>A period running from the date on which the Board of Directors or the Executive Committee becomes aware of the existence of Inside Information until the publication of this Information or the date on which the Board of Directors or the Executive Committee decides that the said information is no longer Inside Information.</p>
Transaction:	<p>All transactions in the widest sense related to the trading of D'leteren Securities. Transactions include:</p> <p>a) an acquisition, sale, subscription or exchange;  b) the acceptance or the exercise of stock options or warrants and the sale of shares following the exercise of a stock option or a warrant;  c) gifts or donations made or received, or inheritance;  d) subscription to a capital increase or a bond issuance;  e) the acquisition, sale or the exercise of rights, including put and call options and warrants;  f) the conversion of a D'leteren Security into another D'leteren Security, including the conversion of convertible bonds into shares;  g) borrowing or lending; and  h) pledging.</p>

#### **IV. General prohibition of insider trading**

It is prohibited for persons in possession of Inside Information, when they are aware or should be aware that it constitutes Inside Information, :

- (i) to use such Information to acquire or sell, or to attempt to acquire or sell, for their own account or for the account of a third party, directly or indirectly, D'leteren Securities;
- (ii) to cancel or amend an order concerning a D'leteren Security, when that order was made before such person came into possession of Inside Information;
- (iii) to recommend to a third party, on the basis of such Inside Information, the purchase or sale of D'leteren Securities or to induce such purchase or sale;
- (iv) to recommend to a third party, on the basis of such Inside Information, to cancel or amend an order related to a D'leteren Security or to induce such cancellation or amendment;
- (v) to communicate such Inside Information to a third party, unless the disclosure is made within the normal exercise of the disclosing person's employment, profession or duties.

The prohibition referred to in point (i) does not apply either to transactions carried out in good faith in order to meet an obligation to acquire or sell D'leteren Securities when such obligation is due and results from an order passed or an agreement reached before coming into possession of Inside Information, nor to transactions carried out to comply with legal or regulatory obligations that existed before coming into possession of Inside Information.

#### **V. Prohibition of trading during Closed Periods**

Whether a PDMM or a Corporate Employee is, or is not, in possession of Inside Information, he or she is prohibited from dealing in D'leteren Securities for his or her own account or for the account of a third party, directly or indirectly, during a Closed Period. The Closed Periods last for 30 calendar days preceding the publication of D'leteren's annual or half-year results. The CLO communicates each year the dates of the Closed Periods to the PDMMs and Corporate Employees.

A PDMM or a Corporate Employee who does not possess Inside Information may, under certain circumstances, be authorised by the CLO to trade in D'leteren Securities for his or her own account or for the account of a third party during a Closed Period :

- on an individual basis in exceptional circumstances, such as serious financial difficulties, requiring the immediate sale of shares ;
- if the transaction does not imply a change in the economic ownership of D'leteren Securities; or
- for certain transactions related to share or option plans that benefit to D'leteren employees or management.

The PDMM or Corporate Employee shall make an application to the CLO at least three (3) business days preceding the proposed Transaction. This application shall contain a declaration that such person does not possess Inside Information. The CLO will then grant or refuse permission based on the relevant MAR rules.

## **VI. Insider lists and prohibition of Transactions during Prohibited Periods**

Any PDMR, Corporate Employee, other employee or consultant dedicating a significant part of its professional activity to D'leteren, who think they are in possession of information that might constitute Inside Information, shall notify this to the CLO, who shall determine, as the case may be together with the Board of Directors or the Executive Committee, whether such information constitutes Inside Information.

In the event that the Board of Directors or the Executive Committee becomes aware of an Inside Information, the CLO shall draw up and maintain a list of Insiders. The CLO will inform the Insiders that they are on this list and that a Prohibited Period has started. Insiders shall provide written notification (by email or by using the on-line application provided by D'leteren) that they are aware of their legal and regulatory obligations and the sanctions that apply to insider dealings and the unlawful disclosure of Inside Information.

Insiders are prohibited from carrying out Transactions on D'leteren Securities, either for their own account or for the account of a third party, directly or indirectly, during a Prohibited Period. Prohibited Periods run from the date upon which the Board of Directors or the Executive Committee becomes aware of the existence of an Inside Information until (a) the publication of such Inside Information or (b) the date upon which the Board of Directors or the Executive Committee decides that the said information is no longer an Inside Information. The CLO notifies the relevant persons of the end of the Prohibited Period.

## **VII. Discretionary trading mandate**

When the funds of a PDMR or Corporate Employee are managed by a third party, he or she shall require such third party, when carrying out Transactions on D'leteren Securities, to comply with the same restrictions that apply to PDMRs or Corporate Employees.

Nevertheless, when the third party is an approved financial services provider, that it acts pursuant to a written discretionary trading mandate, concluded in the absence of Inside Information, and that the PDMR or Corporate Employee has no influence on the policies carried out by the third party, such third party is not bound by the restrictions related to Prohibited Periods and Closed Periods.

## **VIII. Notification obligations**

### **List of Closely Associated Persons**

PDMRs shall draw up a list of Persons who are Closely Associated to them and send it to the CLO, as well as updated versions of this list. PDMRs shall also inform their Closely Associated Persons about their status of Closely Associated Person and the obligations applicable to them under this Code and the MAR Regulation by using the attached form, and keep a copy of such information.

### **Transactions carried out by PDMRs**

Prior to any trading, directly or indirectly, for their own account or for the account of a third party, in D'leteren Securities, the PDMRs shall inform the CLO of such envisaged transaction. The PDMR shall then carry out the transaction within five (5) calendar days following the notification to the CLO and shall notify the CLO of the transaction within the business day following its execution.

PDMRs must also notify the FSMA of the transactions carried out on D'leteren Securities for their

own account (including when such transactions are carried out by a third party under a discretionary trading mandate) within three (3) business days following the execution date. Such notification is made through the following link : <https://portal-fimis.fsma.be>.

However, such notification may be delayed as long as the total amount involved in the transaction/s carried out in one calendar year does not exceed €5,000. If, during the calendar year, the €5,000 threshold is exceeded, all transactions completed until the threshold was exceeded must be notified in one go to the FSMA within three (3) business days as from the execution of the last transaction.

### **Transactions by Closely Associated Persons**

Persons Closely Associated must notify the FSMA and the CLO of the transactions carried out on D'leteren Securities for their own account (including when such transactions are carried out by a third party with a discretionary trading mandate) within three (3) business days following the execution date. Such notification is made through the following link : <https://portal-fimis.fsma.be>.

However, such notification may be delayed as long as the total amount involved in the transaction/s carried out in one calendar year does not exceed €5,000. If, during the calendar year, the €5,000 threshold is exceeded, all transactions completed until the threshold was exceeded must be notified in one go to the FSMA within three (3) business days as from the execution of the last transaction.

Annex to the Dealing Code  
Draft notification letter from PDMRs to CAPs

“Dear [ ]

As a “person discharging managerial responsibilities” within D’Ieteren SA, as defined in article 3(25) of EU Regulation no. 596/2014 of 16 April 2014 on market abuse (the MAR Regulation), I hereby inform you that you qualify as a “Closely Associated Person” under the terms of article 3(26) of the MAR Regulation.

The MAR Regulation requires me to notify persons with whom I am closely associated of their obligations arising from my mandate at D’Ieteren SA. These obligations are described in more detail in the D’Ieteren Dealing Code which you can find in the annex of the Company Governance Charter at [www.dieteren.com](http://www.dieteren.com). In short, as a “closely associated person”, you are required to notify D’Ieteren and the regulatory authority (the FSMA) of all transactions on D’Ieteren securities carried out by yourself within three business days of the execution date. The notification to the FSMA is made through the following link : <https://portal-fimis.fsma.be>, and the notification to D’Ieteren is made to the Chief Legal Officer, (Mr/Mrs [ ] ; [legal.officer@dieteren.be](mailto:legal.officer@dieteren.be)).

I invite you to contact the Chief Legal Officer ([legal.officer@dieteren.be](mailto:legal.officer@dieteren.be)) for any questions concerning this matter.”

## **ANNEX V.**

### **Rules of conduct applicable to transactions effected by D'leteren administrators or directors either with the Company or with listed companies that it controls or is controlled by**

Administrators and directors are not authorised to provide paid services or to buy or sell goods, either directly or indirectly, to the Company or companies within the Group, when such transactions do not fall within their mandate or responsibilities, without the express consent of the Board of Directors, except for transactions carried out in the normal course of Company business.

They are required to consult the Chairman or the CEO, who decide whether an application for derogation may be submitted to the Board of Directors, in which case, the details of the transaction are passed to the Board secretary, who ensures compliance with the applicable legal measures. Such transactions are in any event only authorised when they are carried out under normal market conditions.