

RECTICEL Corporate Governance Charter

UPDATE 25/4/2017

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INTRODUCTION

Following the introduction of the Belgian Corporate Governance Code in 2004, the Recticel Board of Directors drafted and approved the Recticel Corporate Governance Charter, which was first published on 31 December 2005.

After public consultation, the Belgian Corporate Governance Committee issued a new version of the Code in 2009, hence necessitating a review of the the Recticel Corporate Governance Charter.

The Recticel Board of Directors confirms that it has adopted the 2009 Belgian Corporate Governance Code as its reference code.

CHAPTER I : RECTICEL CORPORATE STRUCTURE

I.1. RECTICEL NV/SA

RECTICEL NV/SA (the “Company”) is a public limited liability company (“naamloze vennootschap” / “société anonyme”), incorporated in accordance with the laws of the Kingdom of Belgium.

The legal entity was founded by notarial deed on 19 June 1896 under the name of “Poudrerie de Casteau”, but build further on business activities of which the origin went back to patent letters from the Empress Maria-Theresia of Austria dd. 27 april 1776 and King Willem I of the Netherlands dd. 5 March 1822.

Its registered offices are located in Belgium, 1140 Brussels (Evere), Olympiadenlaan, 2, avenue des Olympiades.

I.2. THE RECTICEL GROUP

Recticel NV/SA is the mother company of the Recticel Group, the European leader in the production and transformation of polyurethane foam (“PUR-Foam”), used in its four business lines: Insulation, Bedding, Flexible Foams and Automotive.

In all of its business segments, Recticel is one of the European market leaders with close to € 1,35 billion combined in Net Sales. It has ninety-eight sites operating in twenty-eight different countries (mainly in Western, Central and Eastern Europe, but also in the USA and China), employing 7,925 people world-wide as of 31 December 2016.

I.3. GOVERNANCE STRUCTURE

I.3.1. Board of Directors

The Board of Directors (the “Board”) is the main decision-making body of the Company, disposing of all the powers that are not reserved by law or the articles of association to the General Meeting of the Shareholders. Recticel NV/SA opted for a one-tier board structure, and consequently did not install an Executive Committee as meant in article 524bis of the Belgian Companies Code. For the Terms of Reference of the Board of Directors, see Chapter III.

The Board has established two committees to assist it in the execution of its main tasks. These are the Audit Committee and the Remuneration and Nomination Committee. For the Terms of Reference of these Committees, see Chapter IV.

I.3.2. The Executive Management

The Board of Directors has delegated the daily management of the Company and the representation of the Company in this regard, to its Managing Director and Chief Executive Officer. In the execution of his or her tasks, the Managing Director and Chief Executive

Officer is assisted by the Management Committee, composed of the most important corporate officers of the Company. The Managing Director and the members of the Management Committee are jointly referred to as the “Executive Management”. The Terms of Reference of the Executive Management can be found in Chapter V.

I.3.3. The Recticel Group International Headquarters

As Recticel NV/SA is the mother company of a large group of companies in many different countries and regions, the Company provides support and coordination services to all members of the Recticel Group.

Centralised services that are provided to Group members relate to Finance, Reporting, Tax, Legal, Compliance & Risk Management, Communications & Investor Relations, Human Resources, Internal Audit, Research and Development and Information & Communication Technology.

I.4. BUSINESS SUMMARY

I.4.1. Mission and Vision

Mission

By leveraging its outstanding expertise in polymer applications, particularly but not limited to polyurethane, Recticel aims to offer competitive high value added solutions to its customers, in order to create shared value for its customers, its employees, its shareholders and other stakeholders.

Vision

Be the leading global provider of high value added solutions in its core markets, supporting key worldwide trends such as environment protection, energy conservation, aging and increasing population and water management.

Group Strategy

Recticel’s strategy is to sustainably position the Group as the leading supplier of high value added solutions in the Group’s key markets.

Priority will be given to:

- innovation in the areas of applications, products and materials, in combination with high quality and service levels, and to brand awareness among end consumers wherever applicable;
- international expansion outside Europe; and
- the overall simplification of the Group and the rationalization of the manufacturing footprint.

Continuous improvement in the development of its human resources, as people and teams are key to success. Likewise, meeting sustainable development criteria in all business decisions is considered to be a mandatory contribution to long term success. The building blocks of the Group’s strategy can be illustrated as follows:



For a more elaborate explanation on these components, reference is made to the annual report.

I.4.2. Business Synergies

Recticel operates in four different sectors. Nevertheless, there are a number of areas where these various activities overlap, enabling the Group to derive significant synergy benefits.

These synergies are likewise described in the annual report.

I.4.3. Business Line Organisation

The Group (i.e. the Company and its subsidiaries) is organised around four Business Lines: Insulation, Bedding, Flexible Foams and Automotive.

Insulation

The Business Line Insulation focuses on insulation products for the construction industry. It produces and markets thermal insulation boards in rigid polyurethane foam (PUR) and polyisocyanurate foam (PIR). Recticel is currently market leader in Belgium and is one of the leading players in the PUR/PIR insulation market in France and the United Kingdom.

Bedding

The Business Line Bedding focuses on the development, production and commercialisation of finished mattresses, slat bases and box springs. In this Business Line, Recticel is one of the leading European manufacturers of mattresses and bed bases. The strategy is articulated around a range of strong local brands supported by ingredient brands such as GELTEX® inside. Recticel Bedding is mainly active in Austria, Belgium, Germany, Poland, Scandinavia, Switzerland and The Netherlands. The Business Line also produces and markets products for the private label and non-brand markets

Flexible Foams

The Business Line Flexible Foams focuses mainly on the production, transformation and commercialization of predominantly semi-finished products in flexible polyurethane foam. This Business Line consists of two Divisions:

- Comfort, for the furniture, upholstery and bedding industry; and
- Technical Foams, for innovative industrial and technical niche applications (e.g. acoustics, filtering, sealing).

Recticel's Flexible Foams activities are global, while the majority of its operations are based in Europe. Recticel organises part of its activities through joint ventures, such as its 50/50 joint venture Eurofoam with Greiner in Austria. Furthermore, Recticel holds a minority participation in the Orsa Group in Italy through its 33/67 minority stake in Orsafoam.

Automotive

The Business Line Automotive includes the following two Divisions:

- Interiors, which develops, produces and commercialises interior solutions (dashboard skins and door panel trim) on the basis of the patented and certified spray technologies. Interiors is active in Europe, China and the United States; and
- Seating which produces moulded foam seating pads; trim foam and EPP (expanded polypropylene) parts. Seating is active in Europe.

Legal Organisation

The Recticel Group has about eighty-one consolidated legal entities. While a number of them only deploy activities belonging to one business line, others may develop several activities belonging to several business lines. The reasons may be of a historical nature or for practical and legal reasons. The Company itself for example, located in Belgium, has activities belonging to all four business lines.

The different legal entities are at all times managed in accordance with the local legal requirements, and in furtherance of the local company's object and interest.

The unified Group and Business Line policies are implemented through the presence of Group Executive Managers in the respective local legal entity's management bodies, and/or through the presence –directly or indirectly – at the legal entity's shareholder meetings.

The local managers also form part of steering committees that operate at business line level, providing support and advice to the local managers, hence also ensuring the execution of a unified Group strategy and policies, while aiding in the reporting process.

CHAPTER II : RECTICEL SHARES AND SHAREHOLDERS

II.1. CAPITAL AND SHARES

II.1.1. Capital and shares

The fully subscribed share capital of RECTICEL NV/SA (the “Company”) amounts to € 135,781,965 on 31 March 2017.

This share capital is represented by 54,312,786 shares without nominal value.

All Recticel shares are ordinary shares since 1 November 2010.

The latest situation can always be consulted on the Company website.

II.1.2. Form

Recticel shares may be dematerialised shares or registered shares at the discretion of the shareholders. Following the Belgian law of 14 December 2005, it is no longer possible to issue physical bearer shares since 1 January 2008.

The names and address of registered shareholders are recorded in the Company Shareholder Register. Any changes must be notified to the Company, at its registered address, for the attention of the General Secretary. Registered shareholders may at all times request a certificate regarding their holding.

Shareholders may at any time apply to have their shares converted at their own cost into either dematerialised or registered shares.

II.1.3. Listing

All the Recticel shares have been admitted to the Continuous Market of NYSE Euronext Brussels.

The ordinary share is traded under the symbol REC and has the ISIN number BE0003656676.

Information on the Company’s share price can be found on the company website, and on most financial websites or on the website of Euronext Brussels (www.euronext.com).

The ordinary Recticel share is included in different share indexes. The latest situation in that regard can be found in the latest Annual Report available.

II.1.4. Capital increase and reduction

The authorized capital may be increased or reduced in one operation or from time to time by resolution of the General Meeting of the Shareholders taken in the conditions prescribed for an amendment of the Articles.

In case of an increase of capital, the new shares which are to be subscribed in cash shall first be offered to the existing shareholders in proportion to the number of shares in their holding.

However, notwithstanding the foregoing, the General Meeting of the Shareholders may by resolution taken in the interest of the company and in the conditions prescribed for an amendment of the Articles, resolve that some or all of the new shares to be subscribed in specie shall be issued without a shareholder's preference right.

The meeting may restrict or disapply this right in favour of one or more identified individuals other than employees of the company or its subsidiaries, in the conditions prescribed by article 596 et seq. of the Companies' Code.

If the preference right is restricted or disapplied, the General Meeting or the Board of Directors, acting as may be within the limits of the authorized capital, may also provide for preference to be given to former shareholders in the allotment of the new shares. In such a case the subscription period shall be ten days.

The Board of Directors may in every case enter into agreements on such terms and conditions as it may notify, with the intention of ensuring that all or part of the shares to be issued are taken up.

II.1.5. Authorised Capital

On 22 July 2015, the extraordinary General Shareholders' Meeting of the Company granted the authorisation to the Board of Directors to increase the Company's share capital, in one or several times, with an amount up to € 133,502,650. This authorisation was granted for a term of three years starting from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (Belgisch Staatsblad / Moniteur belge) on 1 September 2015, i.e. until 31 August 2018, and can be renewed.

Pursuant to an amendment to the Articles of Association as approved by the extraordinary General Shareholders' Meeting on 20 August 2014, any decision by the Board of Directors to make use of the authorised share capital requires the approval of at least three quarters of the directors present or represented at the relevant meeting of the Board of Directors, resulting as the case may be and subject to applicable legislation in a potential veto right of such directors appointed upon the proposal of the current largest shareholder.

If the Company's share capital is increased within the limits of the authorised share capital, the Board of Directors is authorised to request payment of an issuance premium. This issuance premium will be booked on a non-available reserve account, which may only be decreased or disposed of by a resolution of the General Shareholders' Meeting subject to the same quorum and majority requirements as the decision to amend the Articles of Association (i.e., the approval of 75% of the votes cast at a General Shareholders' Meeting where at least 50 % of the share capital is present or represented).

The Board of Directors can make use of the authorised share capital for capital increases subscribed for in cash or in kind, or effected by incorporation of reserves, issuance premiums

or revaluation surpluses, with or without issue of new shares. The Board of Directors is authorised to issue convertible bonds, bonds cum warrants or warrants within the limits of the authorised share capital and with or without preferential subscription rights for the existing Shareholders.

The Board of Directors is authorised, within the limits of the authorised share capital, to limit or cancel the preferential subscription rights granted by law to the existing Shareholders in accordance with article 596 and following of the Belgian Companies Code. The Board of Directors is also authorised to limit or cancel the preferential subscription rights of the existing Shareholders in favour of one or more specified persons, even if such persons are not members of the personnel of the Company or its subsidiaries.

In principle, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company, the authorisation of the Board of Directors to increase the Company's share capital in cash or in kind, while limiting or cancelling the preferential subscription right, is suspended. The extraordinary General Shareholders' Meeting held on 22 July 2015 expressly granted the Board of Directors the authority to increase the Company's share capital, in one or several times, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company and subject to the limitations imposed by the Belgian Companies Code. This authorisation was granted for a period of three years from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (Belgisch Staatsblad / Moniteur belge) on 1 September 2015, i.e. until 31 August 2018.

II.1.6. Acquisition of own shares

The Board of Directors has been authorised by the General Meeting of the Shareholders to acquire or alienate the Company's own shares without a resolution of the General Meeting of the Shareholders, if such acquisition or alienation is necessary to avoid serious and imminent harm to the Company.

This authorization is valid for the term allowed by the decision of the shareholders of the Company and is renewed on a regular basis.

Where an acquisition or disposal is made in accordance with the foregoing, the Board of Directors shall inform the next following General Meeting of the reasons for and purpose of the acquisitions and disposals made, the number and par value, or alternatively the book value, of the shares acquired and disposed of, the proportion of subscribed capital represented by them, and their exchange value.

The Board of Directors is also expressly authorized, without the requirement of prior authority granted by the General Meeting, to dispose of the Company's shares.

In the absence of a serious or imminent harm to the Company, the Company is also authorised to acquire or alienate a maximum of 10% of the Company's own shares outstanding, for a price per share of maximum 20% above or below the average of the twenty last share price closings preceding the purchase. Such an authorisation is proposed to the General Meeting on a regular basis.

Information on purchases or disposals of the Company's own shares is published in the annual report of the Company.

II.2. GENERAL MEETINGS OF THE SHAREHOLDERS

II.2.1. Date and place

The ordinary General Meeting of the Shareholders takes place each year on the last Tuesday of the month of May at 10.00 hours in the registered offices of the Company, or any other place as determined in the convocation.

Special and Extraordinary General Meetings of the Shareholders may be called by the Board of Directors if deemed necessary. The Board is obliged to convene a Special or Extraordinary General Meeting of the Shareholders at the request of one or more Shareholders representing 20% of the issued capital. The request shall specify the agenda items to be included in the convocation.

II.2.2. Agenda

Agenda items may include typically :

- the appointment or re-election of members of the Board of Directors;
- the review of the annual report of the Board of Directors and the report of the Company's External Auditor;
- the approval of the annual accounts and the appropriation of the result, including the dividend payment;
- the discharge in respect of the exercise of their duties of the Board members and the External Auditor;
- authorisations to the Board to increase the capital, acquire own shares, etc.;
- capital increases or reductions;
- corporate governance issues;
- the Remuneration report;
- etc.

One or more shareholders, holding minimum 5% of the Company's issued shares, may propose items for inclusion on the agenda of the General Meeting of the Shareholders, provided that these proposals are submitted to the Board at least 40 days before the ordinary General Meeting will take place.

II.2.3. Convocation and requirements for participation

The right to participate for a shareholder to participate to the General Meeting and to cast its vote is only granted based upon the accountingwise registration of the shares on the name of the shareholder, on the fourteenth day before the General Meeting, at 24 hours (Belgian hour), either by their inscription in the register of nominal shares of the Company, or by their inscription on the accounts of a registered account holder or of a liquidation institution,
Version dated 25.04.2017

notwithstanding the number of shares owned by the shareholder on the date of the General Meeting.

In order to attend the General Shareholder Meetings, shareholders are required to indicate their desire to attend as well as the number of shares with which they shall participate. This date (also called the "Registration Date") is set at the latest at six days before the date of the General Meeting.

The holder of dematerialised shares must also submit a certificate from the official accountholder or liquidation institution to the Company which indicates with how many shares, registered in the name of the shareholder on the Registration Date, they intend to take part in the General Meeting.

Invitations to attend the General Meeting of the Shareholders are sent to all registered Shareholders at least 30 days before the date of the General Meeting.

In accordance with the Belgian Code on Companies and the articles of association of the Company, an announcement is published in a Belgian newspaper at least 24 days before the Registration Date, and in the Belgian Official Journal ("Belgisch Staatsblad/Moniteur Belge") at least 30 days before the date of the General Meeting.

The Meeting agenda and the requirements for participation are also published on the Company website.

Any shareholder may be represented at a General Meeting by a special proxy or can vote by letter prior to the General Meeting. Special voting forms and special proxy forms are also published on the Company website.

In case of joint ownership of shares, in the broadest possible sense, the owners must appoint a single individual to represent them.

Proxies and voting forms must also be lodged at the Company at the latest on the Registration Date.

No shareholder or his proxy shall be admitted to a meeting until he has signed the attendance list stating the identity of the shareholders and the number of shares held by them.

II.2.4. Procedure

The General Meeting of the Shareholders shall be chaired by the Chairman of the Board of Directors, or, failing him or her, by another Board member appointed by the Board for the role.

The General Secretary shall act as secretary of the Meeting. The Meeting shall appoint two scrutineers on a motion by the Chairman.

Under the guidance of the Chairman of the Board, the Directors present and the Statutory Auditor shall answer the questions put to them by the Shareholders during the meeting or by writing, insofar as the answers would not cause a material prejudice to the Company, its Shareholders or its employees.

Shareholders who have fulfilled the conditions to access to the General Meeting, may ask questions to the Directors and the Statutory auditor regarding their report or items on the agenda. The Company must receive the questions in writing no later than the Registration Date.

The Board of Directors may adjourn any annual or extraordinary general meeting during the session for a maximum period of three weeks. Such adjournment shall cancel all decisions taken at the meeting.

Each voting share confers the right to cast one vote. Abstentions or invalid votes are considered as not having been cast.

Shareholders may enter into agreements on the exercise of voting rights, within the limits fixed by the Belgian Code on Companies.

Except as provided otherwise in the following paragraph, the resolutions of the General Meeting shall be passed by a majority of the votes cast, irrespective of the number of shares represented.

Subject to the binding provisions of the Belgian Code on Companies, decisions regarding :

- 1) an amendment of the Articles of Association;
- 2) an increase or reduction of capital;
- 3) the merger of the Company with other companies;
- 4) the dissolution of the Company;
- 5) the issue of convertible bonds or bonds with warrants or the issue of equity warrants;
- 6) converting the Company into a different kind of company;
- 7) alteration of the company's object,

require the subject matter of the proposed resolution to be specified in the convening notices and a presence quorum of 50%, failing which a new meeting shall be convened whose decision shall be valid whatever the number of shares represented.

Resolutions on points 1. to 5. above shall be valid only if passed by 75% of the votes cast. Resolutions on points 6. and 7. shall be valid only if passed by 80% of the votes cast.

The minutes of General Meetings shall be signed by the officers of the meeting and any shareholders wishing to do so.

Official copies to be issued to any third party shall be signed by two directors.

II.3. SHAREHOLDER STRUCTURE – MAJOR SHAREHOLDERS

The table below (situation at 31 March 2017) provides an overview of the Shareholders that have filed a notification with the Company pursuant to applicable transparency disclosure rules, up to 31 March 2017:

NAME	DATE OF NOTIFICATION	NUMBER OF SHARES ⁽²⁾	% OF VOTING RIGHTS ATTACHED TO SHARES (EXCLUDING SHARES HELD BY RECTICEL) ^{(1) (4)}	% OF VOTING RIGHTS ATTACHED TO SHARES (INCLUDING SHARES HELD BY RECTICEL) ^{(1) (4)}
Compagnie du Bois Sauvage SA ^{(2) (3)}	13/05/2015	15 044 410	27,87%	27,70%
Entreprises Chemins de Fer en Chine SA ^{(2) (3)}	26/05/2015	119 774	0,22%	0,22%
Total Compagnie du Bois Sauvage SA		15 164 184	28,09%	27,92%
Capfi Delen Asset Management NV	28/05/2015	2 130 992	3,95%	3,92%
BNP Investment Partners	12/05/2016	1 615 744	2,99%	2,97%
Dimensional Holdings Inc / Dimensional Fund Advisors LP ⁽⁵⁾	16/01/2017	1 623 425	3,01%	2,99%
Public	N/A	33 451 641	61,96%	61,59%
Total (excluding treasury Shares)		53 985 986	100,00%	99,40%
Treasury Shares	N/A	326 800		0,60%
Total (including treasury Shares)		54 312 786		100,00%

(1) The percentage of voting rights is calculated on the basis of the 54.312.786 existing Shares as at 31 March 2017. The calculation is adjusted to take into account that the voting rights attached to the 326,800 own Shares held by the Company are suspended by operation of law.

(2) The percentage of voting rights is calculated on the basis of the 54.312.786 existing Shares as at 31 March 2017 (including the own Shares held by the Company), based upon the information received by the Company as of 31 March 2017- which may be different from the actual situation

(3) For the purposes of their transparency declaration dated 13 and 26 May 2015, Compagnie du Bois Sauvage SA and Entreprises et Chemins de Fer en Chine SA included the 326,800 own Shares held by the Company in the number of Shares controlled by them, given that they are deemed to be acting in concert with the Company for the purposes of the applicable transparency disclosure rules.

(4) Due to rounding, the sum of the percentages of voting rights included in this table may not exactly amount to 100%

(5) Notification received on 16 January 2017 regarding the upwards crossing of the 3% shareholding, with notification of 1.623.425 shares owned

No other Shareholders, alone or in concert with other Shareholders, have notified the Company of a participation or an agreement of concerted action in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

None of the Company's Shareholders benefit from voting rights which differ from those of the other Shareholders.

All transparency notifications are published on the Company website.

CHAPTER III: TERMS OF REFERENCE OF THE RECTICEL BOARD OF DIRECTORS

III.1. COMPOSITION

III.1.1. Size

The Board of Directors (the “Board”) has a minimum of five members, while the actual number may vary according to the needs of the Company.

The necessary efforts have been undertaken by the Company to ensure that at least one third of the members of the Board of Directors is of the opposite gender.

The chairman of the Board of Directors, who has a casting vote in case of a tie, must be an independent director within the meaning of article 526ter of the Belgian Companies Code.

The non-executive Directors must form the majority, and there will be minimum three independent Directors and minimum one executive Director.

The list of the members of the Board shall be disclosed in the CG Chapter of the annual report.

III.1.2. Term of office

In accordance with the Corporate Governance Code, the Board has decided to limit the term for a Director mandate to three years. Independent Directors can serve for a maximum of twelve years in total starting in the year of their first appointment. The Board may however grant exceptions to the above rules in the general interest of the Company.

Non-executive Directors must retire at the first General Meeting of Shareholders after their 70th birthday, unless the Board grants an exception in the interest of the Company.

Executive Directors retire on the first General Meeting after their 65th birthday.

III.1.3. Criteria for membership

The Remuneration and Nomination Committee, when giving its recommendations to the Board, and the Board of Directors, when proposing candidates for membership to the General Meeting, shall apply the following principles :

- a) Each candidate must be selected on the basis of his or her particular knowledge and/or experience, in order to guarantee that the Board as a whole shall have the necessary competences and qualifications to fulfil its duties;
- b) The Remuneration and Nomination Committee and the Board must ensure that the candidates demonstrate their willingness and availability to the extent required to fulfil his or her responsibilities as a Board or Committee member;
- c) Besides complementary skills, the Remuneration and Nomination Committee and the Board should also take into account gender diversity and diversity in general.

III.1.4. Appointment

The Board of Directors submits its proposals regarding the appointment or re-election of Directors to the General Meeting of the Shareholders. The Remuneration and Nomination Committee recommends one or several candidates to the Board, taking into account the needs of the Company and following the appointment procedure and the selection criteria drawn up by the Board for that purpose. The composition of the Board is determined based on the necessary diversity and complementary skills, experience and knowledge.

The General Meeting of the Shareholders appoints the Directors of their choice with a simple majority of the votes cast. Directors can likewise be dismissed “ad nutum” by the General meeting with a majority of the votes cast, before the normal expiry of his or her term of office.

If a position of Director becomes vacant as a result of resignation, incapacity or death, the Board may provisionally fill the vacancy, upon recommendation from the Remuneration and Nomination Committee.

The decision to appoint the independent Directors must state the criteria why the Director is considered independent by the Board. In assessing independence, the criteria set out in Appendix A of the Corporate Governance Code shall be taken into account, as well as article 526ter of the Belgian Companies Code and any other relevant law or regulation.

Any independent Director who ceases to satisfy the requirements of independence must immediately inform the Chairman of the Board.

III.2. ROLE AND RESPONSIBILITIES

III.2.1. Role

The Board is entrusted with the general management of the Company with a view to ensure its long-term development. It provides entrepreneurial leadership and at the same time assesses and manages the risks of the Company. It takes the interests of all the stakeholders of the Company, essential to its sustainable development under consideration : its customers, its shareholders, its employees and the society as a whole.

The Board is accountable to the General Meeting of the Shareholders in this respect. The responsibility for the management of the Company rests with the Board as a collegial body, in a one-tier Board structure.

III.2.2. Responsibilities

The primary task of the Board is to decide on the strategic direction for the Recticel Group and to monitor its business affairs.

The main responsibilities of the Board are as follows :

- Identifying and understanding the strategic challenges and related risks facing the Recticel Group;
- Deciding on the Company's strategy, its risk appetite and key policies;
- Evaluate Recticel's actual market position, and monitoring and evaluating Recticel's performance compared to its strategic objectives, plans and budget;
- Setting the Recticel values, policies and standards allowing the strategic objectives to be met;
- Ensuring that the necessary financial and human resources are in place for the Company to meet its strategic objectives;
- Reviewing the existence and functioning of the internal control system, including appropriate processes for conducting business in compliance with legislation, regulations, and internal policies and procedures, and ensuring the adequate identification and management of risks;
- Deciding on the Executive Management structure of the Company, determining its role and responsibilities and reviewing the Executive Management's performance;
- Maintaining continuous interaction and dialogue with the Executive Management, in order to ensure a climate of trust and transparency;
- Ensuring the quality and completeness of the disclosed financial information and in particular ensuring the integrity of the financial statements;
- Deciding on the candidate external auditor to be nominated by the General Meeting of the Shareholders and supervising the performance of the external auditor and the Group Internal Auditor;
- Setting and reviewing the Corporate Governance structure of the Company and regularly reviewing its compliance with the provisions of the Corporate Governance Code;
- Deciding on all proposals to be submitted to the ordinary, special and extraordinary General Meetings of the Shareholders;
- Deciding on major business policies including the approval of the strategic plan and the annual budget;
- Deciding on any transaction, regardless of the amount, which in view of the Managing Director should be decided by the Board, based on the nature and/or importance of the risk involved;
- Deciding on the accounting principles used, and the determination of all financial information to be published;
- Evaluate its own performance.

When performing its duties, the Board must at all times act in the interest of the Company. The Board as a whole is accountable to the Company for adequately exercising its powers and responsibilities.

III.3. REMUNERATION

The Remuneration and Nomination Committee is responsible to the Board for outlining a remuneration policy for the executive and non-executive Directors, to be decided by the Board.

The Company's current remuneration policy for the executive and non-executive Directors is set out in the Remuneration Policy of the Company, annexed as Appendix 2. to the Terms of Reference of the Remuneration and Nomination Committee (Chapter IV.2. of this Charter).

III.4. CHAIRMAN & VICE-CHAIRMAN

III.4.1. Appointment

The Board appoints one of its non-executive members as Chairman of the Board.

It can, at its sole discretion also appoint one (or more) Vice-Chairman. In absence of the Chairman, the Vice-Chairman will assume his role and responsibilities. In case there are more than one Vice-Chairman present, the most senior Vice-Chairman will assume the Chairman's role.

III.4.2. Role and responsibilities

The Chairman is responsible for the leadership of the Board and for the efficiency of the Board in all its aspects.

The Chairman shall take the necessary measures to develop a climate of trust within the Board which promotes open discussion, constructive dissent and support for the board's decisions.

The Chairman shall promote effective interaction between the Board and the Executive Management. He or she will establish a close relationship with the Managing Director, providing support and advice, while fully respecting the executive responsibilities of the Managing Director.

Within the Board, the Chairman is primarily responsible for :

- Setting the agenda of the Board meetings, after consultation with the Managing Director and the Secretary-General or Company Secretary;
- Ensuring that procedures relating to the preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed;
- Ensuring that the Directors receive accurate, timely and clear information before the meetings and, where necessary, between meetings, and that all Directors receive the same information;
- Chairing the meetings of the Board and ensuring that the Board operates and takes decisions as a collegial body;
- Monitoring the implementation of decisions taken and determining whether further consultation within the Board with regard to the implementation is necessary;
- Ensuring a regular review of the corporate structure and the corporate governance of the Company and assessing whether their operation is satisfactory;
- Ensuring that newly appointed Directors receive an appropriate induction;
- As the Chairman of the Board is also Chairman of the Remuneration and Nomination Committee, leading the nomination process of Directors;
- Ensuring that the Board appoints Committee members and chairmen;

- Being accessible to the Directors, the members of the Executive Management and the Group Internal Auditor to discuss issues relating to the management of the Company.

The Board may decide at all times to entrust the Chairman of the Board with additional responsibilities.

With regard to shareholders and third parties, the Chairman is mainly responsible for chairing the general meeting and ensuring that relevant questions from shareholders are answered.

III.5. ORGANISATION

III.5.1. Board meetings

In principle, the Board meets minimum four times a year. Additional meetings may be called at any time with appropriate notice, when deemed necessary or advisable by one or several members of the Board, to address specific needs for the Company.

Directors are required to attend the Board meetings in person as much as possible, and to devote the required amount of time to their office. Directors who cannot attend are encouraged to give a power of attorney to one of their colleagues. Attendance by phone conference is allowed if authorised by the Chairman.

The number of Board meetings and the individual attendance record of the Directors are disclosed in the Corporate Governance Chapter of the annual report.

At least half the Directors must be present or represented in order to have a valid meeting of the Board. Board members can be represented by a signed proxy, sent by mail or fax to the Secretary-General or Company Secretary. A Director can only represent one other Director in this way.

The non-executive Directors can meet at least once a year without the Managing Director and the other executive Directors.

Board meetings must be convened in the manner laid down in the Company's articles of association.

Except where urgent issues have arisen (as determined by the Chairman of the Board), the agenda of the meeting will be sent to all members of the Board at least seven calendar days prior to the meeting. Every agenda item is accompanied by as much written information as possible of the votes cast by the Board members present or represent at the meeting.

Board meetings are chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the most senior Vice-Chairman shall chair the meeting. In the absence of both Chairman, and Vice-Chairman, the Board members present shall designate another Board member to chair the meeting by a simple majority of the votes cast.

The Secretary-General or Company Secretary of the Company, draws up minutes of the deliberations of a meeting of the Board. The minutes must sum up the discussions, specify the decisions taken and state any reservations voiced by Directors. The minutes are approved by the Board at the next meeting.

III.5.2. Board Committees

In order to ensure and improve the efficient execution of its duties, the Board of Directors has set up specialised Committees to analyse specific issues and advice the Board on those issues. Regardless of the right to set up other Committees, the Board has set up an Audit Committee and a Remuneration and Nomination Committee.

The role of the Committees is strictly advisory, as the actual decision-making remains at all times the responsibility of the Board.

The Board determines the terms of reference for each Committee, in which the composition, the role and responsibilities and the operation of the relevant Committee are specified. These terms of reference are included in this Charter under Chapter IV.

The Board shall pay particular attention to the composition of each Committee. It must ensure that in appointing the members of each Committee, and the Chairman of the Remuneration and Nomination Committee, consideration is given to the needs and qualifications required for the optimal functioning of that Committee. The Board may revoke Committee members at all times.

III.5.3. General Secretary of the Company

The Board appoints a General Secretary, who assists the Board and the Chairman in the performance of their duties. All Board members have access to the General Secretary of the Company for advice and services.

The core responsibilities of the General-Secretary are :

- to ensure that the Recticel corporate bodies comply with their requirements under the law, the articles of association, this Charter and any other internal rules and procedures;
- to ensure the continuous development of the governance structure in accordance with the best practices and the long term needs of the Company;
- to organise the General Meetings of the Shareholders;
- to act as Secretary of the Board of Directors.

The General Secretary is accountable to the Board regarding the abovementioned responsibilities through the Chairman and the Managing Director.

The General Secretary of the Company assists the Chairman of the Board in the organisation of matters relating to the Board (preparing meetings, reporting on meetings, information requirements, etc.).

The General Secretary of the Company may be assisted in his tasks by his deputy, to whom he may delegate his duties arising under the Charter, in consultation with the Chairman and the Managing Director.

III.6. INDUCTION AND EVALUATION

III.6.1. Induction

Newly appointed Directors shall receive an appropriate induction to ensure their early contribution to the Board.

The purpose of the induction process is to help the new Directors grasp the fundamentals of the Company, including its governance, strategy, key policies, financial and business challenges.

For Directors joining Board Committees, the induction process will include a description of the specific role and duties of the Committee.

For Directors joining the Audit Committee, the induction covers the Audit Committee's Terms of Reference and provides an overview of the company's internal control organisation and risk management systems. They are provided in particular with full information on the Company's specific accounting, financial and operational features. This induction also includes a meeting with the external auditor and with the relevant corporate officers.

The Directors are individually responsible for developing and updating the knowledge and qualifications that are required to perform their duties in the Board and in the Committees of which they are members. For that purpose, the Company shall make the necessary (financial) resources available, if required.

III.6.2. Evaluation

In order to promote the continuous improvement of the governance of the Company, the Board shall assess every two years, under the lead of its Chairman, its size, composition, operation and interaction with Executive Management.

This evaluation has four objectives :

- a) assessing the operation of the Board;
- b) checking that the important issues are thoroughly prepared and discussed;
- c) evaluating the actual contribution of each Director's work, the Director's presence at the Board and Committee meetings and his constructive involvement in discussions and decision-making;
- d) evaluating the Board's current composition.

Although the evaluation is a responsibility of the Board as a whole, the Board will be assisted in this evaluation by the Remuneration and Nomination Committee.

If required or desired, an evaluation by external experts can be considered.

The Chairman of the Board will also be evaluated in this process.

In the same process, the Board shall also assess the operation of the Committees every two years. For this assessment, the results of the individual evaluation of the Directors will be taken into consideration. Again, specific attention will be given to the evaluation of the Chairmen of the Committees.

The evaluation will be based on a question list to be filled in by each Board member. The answer forms shall be processed and the results of the evaluation shall be discussed by the Remuneration and Nomination Committee, and consequently by the Board as a whole on the basis of the Committee's report, commenting on the strengths and weaknesses of the Board and, when appropriate, making proposals to appoint new Directors or to not re-elect Directors.

III.7. CODE OF CONDUCT

Directors shall adhere to the Recticel Group Code of Conduct as annexed to this Corporate Governance Charter.

Each Director shall demonstrate integrity and commitment, and perform his or her duties in an honest, ethical and justified manner.

The Directors shall act at all times in the interest of the Company. Independence of judgement is required in the decisions of all Directors, executive and non-executive alike, whether the non-executive Directors are independent or not.

The Directors are entitled to receive pertinent and accurate information, which they will study carefully so as to acquire and maintain a strong command of the key issues relevant to the Company's business. The Directors shall ask clarification whenever they deem it necessary.

The Directors shall avoid any action, position or interest that conflicts or appears to conflict with the Company's interest. When faced with a conflict of interest, the legal provisions shall apply and the Director in question shall immediately inform the Chairman of the Board. Directors in such a position shall abstain from participating in the Board discussion and decision in accordance with the legal requirements, and the event shall be disclosed accordingly.

Each Director has an obligation to handle the confidential information received in his or her capacity as Director with extreme caution. The Directors undertake not to disclose any confidential information relating to the Company or its affiliates, obtained in the execution of their responsibilities as Director, to third parties, unless her or she has a legal obligation to disclose the information. Disclosure to members of the management of the Company or its affiliates is allowed on a need-to-know basis.

No member of the Board may use the information described above to his or her own advantage.

CHAPTER IV : RECTICEL BOARD COMMITTEES

IV.1. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

IV.1.1. Composition

The Audit Committee (the “Committee”) shall consist of at least four non-executive directors, minimum half of which shall be independent directors in accordance with the Belgian Companies’ Code and the Belgian Code on Corporate Governance.

The members shall be elected by the Board of Directors, on recommendation of the Nomination and Remuneration Committee, for the duration of their director mandate, unless stipulated otherwise. They hold office until their successors shall be elected or until their earlier death, removal or resignation from the Committee, or termination of their respective mandate as member of the Board of Directors. The Members of the Audit Committee must dispose of a collective expertise at the level of the activities of the Company. At least one Member must dispose of the relevant expertise in accounting and audit.

The members of the Audit Committee elect the Chairman among the members who are independent directors. The offices of Chairman of the Audit Committee and Chairman of the Board of Directors cannot be combined.

IV.1.2. Role & Responsibilities

The Committee is an advisory committee. It assists the Board in the specific areas mentioned hereafter, which are covered in detail and regarding which they make recommendations to the Board as a whole. Only the Board of Directors has the power to take decisions. The Committee discusses significant financial reporting issues with both the executive management and the external auditor.

The Committee shall monitor, review and make recommendations to the Board of Directors regarding :

Financial reporting

- the integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards used by the Company and the Group, including the criteria for the consolidation of the accounts of the companies in the Group;
- the assessment of the correctness, completeness and consistency of the Company’s yearly and half-yearly statutory and consolidated financial information;
- the periodic information before it is made public, i.e. the draft press releases containing the annual and semi-annual results;
- the impact of new accounting rules, and eventual prognoses.

It shall also inform the Board of the result of the audit of the annual accounts and the consolidated annual accounts and inform the Board about the contribution of the audit to the integrity of the financial reporting and about the role of the Audit Committee in this process;

Internal control and risk management

- at least once a year, the internal control and risk management systems set up by the executive management, thus ensuring that the main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed and disclosed;
- the statements included in the annual report on internal control and risk management.
- the specific arrangements made, by which staff of the company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters;
- the arrangements made for proportionate and independent investigation of such matters, for appropriate follow-up action and arrangements whereby staff can inform the chairman of the Committee directly; and
- The effectiveness of the internal control and risk management

Internal audit process

- the internal auditor's work programme, having regard to the complementary roles of the internal and external audit functions. At least once a year, the Group Internal Auditor is heard by the Committee and it receives his internal audit reports or a periodic summary thereof;
- the effectiveness of the internal audit;
- the internal audit budget;
- the responsiveness of management to the committee's findings and recommendations
- the selection, appointment, reappointment and removal of the Group Internal Auditor.

External audit process

- in collaboration with the Chief Executive Officer and the Chief Financial Officer, the selection, appointment and reappointment of the external auditor and the terms of his or her engagement, in accordance with the applicable regulations;
- the external auditor's independence, in particular in view of the provisions of the Code on Companies and the Royal Decree of 4 April 2003;
- the nature and extent of non-audit services, to which extent they are appropriate, provide pre-approval when required;
- the work programme of the external auditor;
- all issues arising from the audit;
- the effectiveness of the external audit process, and the responsiveness of management to the recommendations made in the external auditor's management letter;
- in case the external auditor resigns, the issues giving rise to this resignation;
- in case the total fees exceed the criteria defined in article 4,§3 of the Regulation EU n° 537/2014, analysis with the statutory auditor of the threats regarding the independence of the statutory auditor and the measures taken to reduce these threats.

IV.1.3. Operation

The Committee meets a minimum of three times a year, and whenever a meeting is required for the proper operation of the Committee.

In principle, the meetings of the Committee are called by Committee Chairman. Each member however may request the convening of a special meeting.

The agenda of the meetings must be sent to all Committee members at least seven calendar days prior to the date set for the meeting. Every agenda item must be accompanied by the relevant documents and information.

The quorum for a meeting is minimum half the members attending the meeting in person or by telephone conference, one of which at least must be an independent director.

Members can give a proxy to another member of the Committee. No member can however represent more than one other member this way.

The Committee Chairman will take the necessary measures to develop a climate of trust within the Committee, contributing to open discussion, constructive dissent and support for the Committee's decisions.

Decisions must be taken by a simple majority of the members present or represented. In case of an equality of votes, the Chairman of the Committee has the casting vote.

The Committee may invite any person to attend its meetings.

The Committee shall meet at least twice yearly with the external auditor and the Group Internal Auditor to discuss all issues falling within the powers of the Committee and any issues arising from the audit process.

The external auditor and the internal auditor can at all times request the Chairman of the Audit Committee to be heard.

The Committee is entitled to receive all information required for the performance of its duties from the Board and the executive management and the company staff. It can request the presence of any senior employee of the Company, the Chief Executive Officer, the Group Internal Auditor, and/or the external auditor.

The Committee is allowed to seek external professional advice, at the Company's expense, about issues that fall within its responsibilities.

The Audit Committee has access to the books, data and offices of the Company and may have conversations with executives and employees of the Company.

Any member of the Audit Committee must immediately inform the Committee of :

- any personal financial interest (except as shareholder) in any matter on which the Committee decides;

- any possible conflict of interest which may arise as a consequence of any other mandates he or she holds.

This member cannot participate in the deliberations and the vote relating to those issues involving such an interest or conflict of interests.

After each meeting, the Secretary-General or his/her substitute drafts a report on the findings and recommendations of the Audit Committee to be submitted to the Board of Directors. All members of the Committee are to be provided with this draft as soon as possible after the meeting in order to allow remarks and corrections to be made, before the report is submitted to the Board of Directors.

The Audit Committee reports regularly to the Board on the exercise of its duties and on any other matters in respect of which the Audit Committee considers that action or improvement is needed, and may make recommendations as to the necessary steps to be taken.

The Audit Committee reports annually, or, if necessary, more frequently to the Board on the developments in the relationship with the external auditor, and in particular on the viewpoint of the Committee on the external auditor's independence.

Each member of the Board of Directors shall have unlimited access to the data provided for the Audit Committee and may exercise his right through the Secretary of the Committee.

The Audit Committee shall annually check and review the adequacy of these terms of reference and of its own effectiveness and shall report thereon to the Board of Directors, and make recommendations for changes.

The Board of Directors may modify these terms of reference at all times.

It is hereby specifically confirmed that the Audit Committee has no authority to conduct audits itself nor to determine whether the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. These duties are the responsibility of the external and internal auditor, and the executive management respectively.

IV.2. TERMS OF REFERENCE OF THE REMUNERATION & NOMINATION COMMITTEE

IV.2.1. Composition

The Remuneration and Nomination Committee (the “Committee”) shall be composed of at least three Directors, all non-executive and more than half of which shall be independent Directors in accordance with the Belgian Code on Companies and the Belgian Code on Corporate Governance.

The members shall be elected by the Board of Directors, for the duration of their director mandate, unless stipulated otherwise. They hold office until their successors shall be elected or until their earlier death, removal or resignation from the Committee, or termination of their respective mandate as member of the Board of Directors. Members must dispose of the relevant expertise in the matters treated by the Committee.

The Chairman of the Board is ex officio invited to assist to the Committee meetings, in order to ensure the link with the Board as a whole.

Meetings are usually attended by the Managing Director and the Company Secretary, who acts as Secretary to the Committee. The Committee may invite any other relevant non-member to attend its meetings.

IV.2.2. Role & responsibilities

The Committee is an advisory committee. It assists the Board in the specific areas mentioned hereafter, which are covered in detail and regarding which they make recommendations to the Board as a whole. Only the Board of Directors has the power to take decisions.

In its role as Nomination Committee, the Committee shall ensure that the appointment and re-election process of Board members and senior executive managers is organised objectively and professionally.

The Committee makes recommendations to the Board of Directors regarding :

- procedures and selection criteria (independence requirements, competence and qualification) to be implemented for the appointment of Board members and Board Committee members;
- procedures to be implemented for the re-election of Board members and Board Committee members;
- the size and composition of the Board and eventually desired changes;
- issues related to succession planning of the Managing Director and the members of the Executive Management;
- procedures and selection criteria to be implemented for the appointment of members of the Executive Management;
- the evaluation procedure for the Board and the Board Committees.

In its role as Remuneration Committee, the Committee shall advise the Board on the remuneration policy of the Company.

The Committee makes recommendations to the Board of Directors regarding :

- the remuneration of executive and non-executive Directors, members of the Management Committee and Senior Managers. The extent and nature of the remuneration should be in accordance with the function and the benefit to the Company;
- the remuneration policy for the members of the Executive Management, including :
 - the main contractual terms, including the main characteristics of the pension schemes and termination arrangements;
 - the key elements for determining the remuneration, including :
 - the relative importance of each component of the remuneration;
 - the performance criteria applicable to the variable elements;
 - the fringe benefits.
- the individual remuneration of directors and of the members of the Executive Management, relating to bonuses and long-term incentives – whether or not stock-related – in the form of stock options or other financial instruments;
- the disclosure of the remuneration of Directors and the members of the Executive Management in the Company’s annual report
- the preparation of the annual Remuneration report for approval by the Board of Directors,
- the explanation of the Remuneration report to the annual General Shareholders Meeting.

Each year, the Committee shall discuss and set the goals and objectives for the Managing Director, and, on the basis of a proposal by the Managing Director, of the members of the Executive Management, which will subsequently serve as benchmarks of their performance.

IV.2.3. Operation

The Committee meets at least twice a year, and whenever a meeting is required for the proper operation of the Committee, or whenever changes to the composition of the Board or the Executive Management are necessary. The dates of the meetings will be fixed as much as possible in advance each year.

The meetings of the Committee are called by the Chairman of the Committee in consultation with the Managing Director when appropriate. Each member however may request the convening of a special meeting.

The agenda of the meetings must be sent to all Committee members at least seven calendar days prior to the date set for the meeting. Every agenda item must be accompanied by the relevant documents and information.

The quorum for a meeting is two members attending the meeting in person or by telephone conference, one of which at least must be an independent director.

Members can give a proxy to another member of the Committee. No member can however represent more than one other member this way.

The Committee Chairman will take the necessary measures to develop a climate of trust within the Committee, contributing to open discussion, constructive dissent and support for the Committee's decisions.

Decisions must be taken by a simple majority of the members present or represented. In case of an equality of votes, the Chairman of the Committee has the casting vote.

The Committee may invite any person to attend its meetings.

The Committee is entitled to receive all information required for the performance of its duties from the Board, the members of the Executive Management and the company staff. It can request the presence of any senior employee of the Company.

The Committee is allowed to seek external professional advice, at the Company's expense, about issues that fall within its responsibilities, in agreement with the Managing Director or the Chairman of the Board.

The Remuneration and Nomination Committee reports regularly to the Board on the exercise of its duties and on any other matters in respect of which the Committee considers that action or improvement is needed, and may make recommendations as to the necessary steps to be taken.

Each member of the Board of Directors shall have unlimited access to all data of the Remuneration and Nomination Committee and may exercise his right after consultation with the Committee Chairman.

The Remuneration and Nomination Committee shall annually check and review the adequacy of these terms of reference and of its own effectiveness and shall report thereon to the Board of Directors, and make recommendations for changes.

The Board of Directors may modify these terms of reference at all times and revoke the powers granted to the Committee as it sees fit.

Appendix

GROUP REMUNERATION POLICY

Introduction

Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors of the Recticel Group, determines the remuneration of Directors and the members of the Management Committee (hereinafter referred to as the “Senior Management” or “Senior Managers”).

To assist the Committee in its analysis of the competitive environment in Belgium and Europe, as well as other factors relevant to the Committee’s evaluation of compensation matters, the Committee may retain the services of internationally recognized compensation consultants.

Remuneration of Directors

The Company’s directors are remunerated for their services with a fixed compensation per meeting attended. The fixed compensation is proposed by the Board to the General Meeting of the Shareholders. The Chairman of the Board shall receive a fee equal to 200% of the individual fee determined for the other Board members.

The Board shall decide on the additional remuneration for Committee members. The Chairmen of the Committees shall receive a fee equal to 200 % of the individual fee determined for the other Committee members. Both the amount and structure of the compensation of directors are analyzed on an annual basis.

Non-executive directors of the Company do not receive any remuneration, benefits or equity-linked or other incentives from the Company and its subsidiaries other than their remuneration for their service as director of the Company and/or its subsidiaries. The Company will not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member.

Remuneration of the Senior Management

The remuneration of the Senior Management is designed in such a way as to :

- Ensure that the Company can continuously attract, motivate and retain high calibre and high potential executive talent for which the Company competes in each region and internationally ;
- Promote the achievement of Board-approved performance targets, aligned with building shareholder value over the short, medium and long-term ; and,
- Stimulate, recognize and reward strong individual contribution and solid team performance.

Both the amount and the structure of the compensation of the Senior Management are analyzed on an annual basis.

The compensation package for the Senior Management combines three integrated elements that are collectively referred to as the “total direct compensation”. Those integrated elements are base salary, annual incentive bonus and long-term incentive compensation. The Company will not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any member of the Senior Management.

When determining the compensation levels for the Senior Management, the compensation of executives in Belgian multinationals and medium-sized companies is taken into account along with internal factors. The objective is to establish target compensation levels that, as a general rule, are at or around the median market level and this as far as the performance of the Company can afford it.

Base salary

Base salary levels are designed to compensate the Senior Management for their position responsibilities, a particular set of competencies and their experience in the position. Market median levels for comparable positions are targeted for the base salary and these levels are subject to regular annual reviews.

Except for obligatory annual cost of living adjustments, regardless of the economic position the Company finds itself in, there is no mechanism for automatic adjustment.

Annual Incentive

The annual incentive bonus recognizes and rewards individual performance of a member of the Senior Management. The annual incentive bonus plans is dependent upon Company achievement against budgeted financial targets. Bonus payments are limited to a certain percentage of the Base Salary, as determined from time to time by the Board of Directors. Currently, annual incentive bonuses shall never exceed for the CEO 100% of the Base Salary and for the other members of the Senior Management 50% of the Base Salary.

The targets are divided into two categories. The financial targets are linked to the consolidated net profit of the Group (EAT), the EBITDA of the division for which the Senior Manager is responsible and to elements of working capital such as receivables, payables and stock level management. The non-financial targets are linked to individual objectives which the Senior Manager is supposed to achieve during the year.

For members of the Senior Management not having a direct profit and loss responsibility, being staff responsible, the weight between the financial targets and the non-financial targets is different from those assigned to the Senior Line Management members. For lower management levels active on group level, there is also a bonus plan based on the same principles.

Long-Term Incentive Plans

The Company also offers a long-term incentive plan to the Executive Management and other Group managers. The Company's long-term incentive plan is designed to :

- Encourage and support the creation of long-term shareholder value and ensure that the Executive Managers and the other Group managers, like the shareholders, share in the successes and shortcomings of the Company and the Group ;
- Provide the opportunity for the Executive Management and other Group managers to receive, within their total compensation package, competitive rewards as a result of sustained Company performance over longer periods of time and from the growth in value of the Company's shares.

The long-term incentive plan for Executive Management and other Group managers is comprised of stock options ("warrants").

The first edition of the Recticel Stock Option Plan was launched in 1993.

The stock options granted have a strike price equal to the Company's share price on the working day preceding the offering of the option, or the average price of the Company's share price during thirty days prior to the offering of the option. Each option, if exercised, allows to subscribe a newly created ordinary Recticel share at the strike price.

In general, the options have a vesting period of three years and an exercise period of three to six years.

The annual status of the Recticel Stock Option Plan (editions, exercises, stock options left, conditions) can be found in the annual report.

As a general rule, the Board has determined that the number of stock options granted by the Company to the Executive Management may in total never exceed 10% of the issued capital. The precise number for an edition is determined by the Board on the basis of a recommendation of the Remuneration and Nomination Committee.

While in the early years, the options were granted to Executive Managers, latter series were directed more specifically to the younger management members to encourage their long-term professional relationship with the Company and Group.

In accordance with the guidelines of the Belgian Code on Corporate Governance, the equity incentive plans under which members of the Executive Management are remunerated in shares or share options or rights to acquire or subscribe to shares, shall in future be submitted for approval to the General Meeting of the Shareholders.

Other Remuneration Components – Including Retirement and Severance

Each of the members of the Executive Management and other managers participate in the retirement plans and pension plans in effect in the manager's home country or region.

The plans provide for retirement and post-retirement benefits at levels that are in line with the predominant plans of their kind in each country or region where they are in effect. Other benefits, such as medical and other insurance coverage, and the use of company vehicles, are

provided in line with competitive practices in the market where the manager in question is based.

Certain members of the Executive Management have employment agreements with the Company or a subsidiary of the Company that provide for severance payments under certain circumstances in line with applicable law.

CHAPTER V : TERMS OF REFERENCE OF THE RECTICEL EXECUTIVE MANAGEMENT

V.1. INTRODUCTION

The Executive Management of the Recticel Group is composed of the Managing Director (or Chief Executive Officer or CEO) and the members of the Management Committee. Their role is to manage the Recticel group in accordance with its values, strategies, policies, plans and budgets, as decided by the Board of Directors.

The Managing Director and Chief Executive officer is in charge of the daily management of the Company and the representations of the Company in this respect. Upon decision by the Board, he may from time to time be entrusted with other general or specific duties and responsibilities. He is assisted in all his tasks by the Management Committee, chaired by the Managing Director, which has a strictly advisory role. The Management Committee is not an Executive Committee as meant in article 524bis of the Belgian Code on Companies.

The Managing Director/Chief Executive Officer is a member of the Board of Directors.

V.2. MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

V.2.1. Role and Responsibilities

The Board delegates the daily management of the Company and the representation relating to the daily management to the Managing Director and Chief Executive Officer and vests him or her with the adequate and necessary authority to the proper exercise of his responsibilities. The Board may from time to time delegate additional powers and responsibilities to the Managing Director. The Managing Director is accountable to the Board for properly discharging the duties and responsibilities entrusted to him.

The daily management of the Company and the representation of the Company in that respect comprises, amongst others :

- Studying, drafting and preparing proposals to the Board regarding the strategic options (long-term targets, mergers & acquisitions, investments and divestments) that will help in ensuring the future development of the Recticel Group, and reporting on progress compared to earlier defined strategic plans;
- Reviewing and approving annually the financial budget planning supporting the long-term growth strategy, including the annual budget, multi-year financial plans and related capital expenditure plans, to be presented for decision to the Board of Directors;
- Preparing the yearly and half-yearly financial statements of the Company in accordance with applicable accounting standards and Company policies, and the related press releases to be issued by the Company, and ensuring that they are timely, reliably and accurately prepared;
- Preparing proposals to the Board to ensure that the proper human resources are available and allocated as needed to realise the Company strategy;

- Making recommendations to the Board with respect to matters within its competency, notably due to their materiality or because of the nature of the risks involved ;
- Reporting to the Board on the performance of the Group;
- Ensuring that the daily management of the Company is appropriately managed by creating the right organisation to execute the strategy and ensuring compliance with applicable laws, regulations and the Company's policies and standards ;
- Ensuring that the Company achieves and maintains a satisfactory competitive position by setting targets for the Executive Management and Group performance ;
- Giving direction, guidance and support to the Company's business lines ;
- Monitoring and managing the Company's results and performance against strategic and financial plans ;
- Formulating and overseeing the implementation of major corporate policies ;
- Approving the entry into, revision or termination of any transaction, investment or divestitures, which are not reserved to the Board;
- Managing the Company's corporate support functions and monitoring and reviewing reports from Treasury, Legal & Risk management, Information Technology, Human Resources and other key functional areas as required, on a regular basis ;
- Setting up adequate risk management systems, internal controls and internal audit systems taking into consideration the size and risk profile of the Recticel Group;
- Developing recommendations to the Remuneration and Nomination Committee regarding hiring, termination and compensation of, among others, the members of the Management Committee and deciding on hiring, termination and compensation for other levels of management ;
- Ensuring that the Company has an effective management team by reviewing regularly an active plan of development and succession planning for the Executive Management of the Company and making appropriate recommendations to the Nomination & Remuneration Committee ;
- Clearly communicating and embodying the Recticel corporate culture and thus promoting the Company values, ethics, diversity, individual integrity and social responsibility in order to ensure sustainable development;
- Acting as the main spokesperson for the Company towards the outside world;
- Communicating the strategy, vision and values of the Company both internally and externally;
- Maintaining continuous interaction and dialogue and open communication channels with the Board and providing the Board with the information that it needs to carry out its duties in a climate of respect, trust and candour;
- Regularly meeting with the Chairman of the Board to review and discuss the items on the Board and Board committee agendas and any other relevant issues and to involve the Chairman from the outset in any major initiatives ;
- Chairing, organizing and leading the Management Committee; and
- Providing guidance, direction and support to the members of the Management Committee in the performance of their individual responsibilities as determined by the Managing Director and Chief Executive Officer.

The Managing Director/Chief Executive Officer is appointed by the Board of Directors on the basis of a report prepared by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee also prepares a plan for the succession of the

Managing Director, and recommends to the Board the selection and replacement, if necessary, of the Managing Director.

The Managing Director may not concurrently serve as Chairman of the Board.

V.2.2. Remuneration

The remuneration of the Managing Director is decided by the Board based on a recommendation from the Remuneration and Nomination Committee, and in accordance with the Group Remuneration Policy, which can be found in annex to Chapter IV.2. Terms of Reference of the Remuneration and Nomination Committee.

The amount of the remuneration and other benefits granted directly or indirectly to the Managing Director and Chief Executive Officer, by the Company or any other entity of the Recticel group, shall be disclosed on an individual basis in the Corporate Governance chapter of the annual report.

V.2.3. Evaluation

Each year, the Remuneration and Nomination Committee sets the goals and objectives to be met by the Managing Director in the year ahead and evaluates the performance of the Managing Director in the preceding year. The performance evaluation will allow the determination of the performance-linked part of Managing Director's remuneration. The Managing Director shall not be allowed to attend the meeting when the Remuneration and Nomination Committee and/or the Board discusses and decides on his or her compensation.

V.3. RECTICEL MANAGEMENT COMMITTEE

V.3.1. Role and Responsibilities

The Board of Directors has entrusted the Management Committee with the responsibility for preparing and establishing proposals for approval by the Board of Directors regarding the management of the Company without prejudice to the powers of the Board of Directors and the Managing Director and Chief Executive Officer in that respect, pursuant to the Companies Code and the powers which have been or may be granted to the Audit Committee and the Nomination and Remuneration Committee.

Such proposals will concern the following subjects, amongst others :

- the strategic plan;
- the annual budget;
- the capex budget;
- any merger & acquisition transaction in an amount exceeding € 5,000,000;
- any investment in fixed assets for an amount exceeding € 5,000,000;
- the governance structure of the group affiliates;
- the internal control structure;
- the human resources policy.

The mission consigned to the Management Committee is without prejudice to the powers of daily management granted to the Company's Managing Director and Chief Executive Officer.

V.3.2. Rules of operation

A. Members and Chairman

The Board of Directors shall decide upon the number of members of the Management Committee.

The members of the Management Committee shall be appointed by the Board of Directors, upon proposal from the Managing Director and following consultation of the Nomination and Remuneration Committee.

The Management Committee shall be presided by the Managing Director of the Company, as designated by the Board of Directors, following consultation of the Nomination and Remuneration Committee.

The positions of Chairman of the Management Committee and Chairman of the Board of Directors cannot be combined.

The Management Committee as a whole or any individual members of it can be dismissed from the Committee at will at any time by the Board of Directors.

B. Organization and Functioning

The Management Committee shall meet, in principle, every two weeks or at the request of the Chairman of the Management Committee.

The Management Committee shall decide upon its internal regulations and procedures.

The venue, the calendar, the timing and the agenda of the meetings of the Management Committee shall be determined by the Chairman of the Management Committee, or by any two members, should the Chairman be unable to do it in due time. Two members of the Management Committee, acting jointly, may bring any supplementary item to the agenda of any Management Committee meeting, by notifying in writing all the members of the Committee.

All meetings of the Management Committee shall be chaired by its Chairman, or, in his absence, by the most senior member present.

The Management Committee shall act as a collegiate body. It shall validly deliberate and decide provided that the majority of its members are present or represented at a meeting. Any given member may not represent more than one of his/her colleagues; proxies must be made in writing. Should it appear not to be possible to decide unanimously, it will be by the majority of the votes. In case there is a tied vote, the Chairman of the meeting shall have a casting vote.

Meetings of the Management Committee may be held using any telecommunication means permitting joint discussion, such as telephone or videoconferencing.

The Management Committee shall appoint a secretary who shall draw up the minutes of each meeting and keep appropriate records of same. The minutes of each meeting shall be submitted for approval to the Management Committee at its next meeting and signed for record by at least two members.

C. Reporting and Supervision

With a view to enabling the Board of Directors to adequately supervise the activities of the Management Committee, the Chairman of the Management Committee shall, prior to each meeting of the Board of Directors, report in writing to the Board of Directors on the decisions made and on the proposals adopted by the Management Committee.

The Management Committee regularly reviews and assesses its own performance. This evaluation shall be discussed at the Nomination and Remuneration Committee and shall be presented to the Board of Directors.

D. Conflict of Interest

Each member of the Management Committee who, directly or indirectly, has an interest of a financial nature which conflicts with a decision or a transaction belonging to the competence of the Management Committee shall notify the other members of the Management Committee prior to deliberation by the Management Committee on such decision or transaction.

Each member of the Management Committee shall adhere to the Recticel General Code of Business Conduct, the Approval Authority Guide and the Recticel Code of Conduct on the Prevention of Insider Dealing and Market Abuse.

V.3.3. Remuneration

The remuneration of the members of the Management Committee other than the Managing Director is decided by the Board based on a recommendation from the Remuneration and Nomination Committee, and in accordance with the Group Remuneration Policy, which can be found in annex to Chapter IV.2. Terms of Reference of the Remuneration and Nomination Committee.

The amount of the remuneration and other benefits granted directly or indirectly to the members, other than the Managing Director, by the Company or any other entity of the Recticel group, shall be disclosed on a global basis in the Corporate Governance chapter of the annual report.

V.3.4. Evaluation

Each year, in the presence and on proposal from the Managing Director, the Remuneration and Nomination Committee sets the goals and objectives to be met by the other members of the Management Committee in the year ahead, and discusses with the Managing Director the performance of the other members of the Management Committee in light of those goals and objectives. The Committee makes recommendations to the Board with respect to the compensation level of the other members of the Management Committee, based on such evaluations and discussions, and based on a review of compensation levels for similar positions at comparable companies.

The performance evaluation will allow to determine the performance-linked part of their remuneration. Other than the Managing Director, no executive Director nor member of the Management Committee shall be allowed to attend the meeting when the Remuneration and Nomination Committee and/or the Board discusses and decides on his or her compensation.

CHAPTER VI: SUPERVISION

VI.1. Legal framework

RECTICEL NV/SA is a public limited company and has the status of a company that has publicly issued listed securities.

As an issuer of listed securities, the Company is subject to the listing requirements of NYSE Euronext Brussels.

It is also subject to supervision by the Belgian Financial Services and Markets Authority (“FSMA”).

VI.2. Internal Audit

The Company disposes of a professional internal audit team under the lead of the Group Chief Audit Executive, reporting directly to the Managing Director.

The Group Chief Audit Executive also reports to the Audit Committee, which reviews the internal audit's work programme, their internal audit reports or a periodic summary thereof, and the internal audit budget.

VI.3 External Audit

The 2016 General Meeting of the Shareholders commissioned the external audit of RECTICEL NV/SA's annual stand-alone and consolidated financial accounts to the co-operative civil limited liability company „Deloitte Bedrijfsrevisoren“ until after the ordinary General Meeting of the year 2019.

The Statutory Auditor conducts its audit in accordance with the standards of the Belgian Institute of Registered Company Auditors, and certifies whether the company's financial statements give a true and fair view of the assets, financial position and results of the Company.

To this end, the Statutory Auditor meets twice yearly with the Audit Committee to discuss the results of their review of the annual and semi-annual accounts of the Company.

Information on fees for the audit and non-audit services provided by the External Auditor to the Company and the Group can be found in the latest annual report.

CHAPTER VII. CODES OF CONDUCT

VII.1. GENERAL CODE OF CONDUCT

VII.1.1. Introduction

The Belgian Code on Companies provides a means of settling conflicts of interest that arise within the context of a Director's mandate. This procedure is briefly explained hereafter in point VII.1.2. Legal framework.

In the interest of the Company, the Board of Directors has decided to impose additional obligations on its members and on the corporate officers and employees of the Company and its affiliates. These additional obligations are contained in the Recticel Code of Conduct, which is annexed to this Chapter and which are further explained in the internal Business Control Guide.

Furthermore, the Board of Directors decided to set-up some guidelines for Directors on their interaction with the Executive Management and with investors, media and others. These guidelines are explained in point VII.1.3. Interaction.

VII.1.2. Legal framework

Article 523 of the Belgian Code on Companies provides that a Director who is faced, directly or indirectly, with an interest of a financial nature that conflicts with a decision or a transaction belonging to the competence of the Board, is required to notify the other members of the Board before the Board takes its decision.

The notification, including the justification of the conflict of interest, is inserted into the minutes of the meeting, and the Director shall inform the external auditor of the Company, with the assistance of the Secretary-General. The financial consequences of the decision shall likewise be mentioned in the minutes.

The Board describes the nature of the decision or transaction and justifies the decision taken, in order to allow the publication in the annual report. The annual report shall comprise the minutes of the meeting regarding the conflict of interest, in extenso.

The Director in question cannot participate in the discussions and the vote concerning the proposed decision or transaction.

The above mentioned legal obligations are not applicable to decisions or transactions arisen between companies, whereby one of the companies owns –directly or indirectly - 95 % or more of the actual voting rights of the other company, nor in case another company owns 95% or more of the actual voting rights in both companies between which a transaction is contemplated.

The legal obligations likewise are not applicable in case the decision regards usual transactions that occur under the conditions and collateral that are customary in the market for such transactions (“arm’s length”).

Non-executive Directors may not enter into material agreements with companies belonging to the Recticel Group for the provision of paid services (e.g. consulting, accounting, legal services) without express authorisation of the Board of Directors.

Related party transactions shall at all times be conducted at arm’s length. It is the responsibility of each Director and corporate officer to promptly notify the Group Secretary-General or the Group Company Secretary of any proposed related party transaction as soon as such Director or officer becomes aware of it, and regardless of whether the Director and/or officer is involved in it. Related party transactions are transactions between the Company or any of its affiliates on one side and any Director of the Company, any corporate officer of the Company, any close relative (being someone that could have a decisive influence on the Director or corporate officer, such as the partner, children, parents, close friends, etc.) of a Director or corporate officer and/or any legal entity in which a substantial interest in the voting power is owned, directly or indirectly by one of the above mentioned persons, or that have a member of the Board of Directors in common.

Any proposed related party transaction, or a series of similar transactions involving the same related parties, and involving an amount of at least hundred thousand Euros (€ 100.000,-), must be approved by the Board of Directors if it involves Directors or senior corporate officers, member of the Management Committee. If it involves other corporate officers or employees, the approval must come from the Managing Director.

Related party transactions involving lower amounts do not require prior approval as such, but remain of course subject to legal regulations and the Company policies on conflict of interests.

Related party transactions involving amounts above one million Euros (€ 1.000.000,-) shall be disclosed in the annual report, in accordance with legal requirements.

VII.1.3. INTERACTION

VII.1.3.1. Interaction with management

Non-executive Directors have at all times direct access to the Chief Financial Officer and the the Group Secretary-General and Group Company Secretary of the Company. In other cases, non-executive Board members are asked to consult the Managing Director prior to contacts with other corporate officers and to use common sense to ensure that these contacts do not detract the contacted officers from their business operations and responsibilities.

VII.1.3.2. Interaction with investors, media and others

Directors and corporate officers must refrain from independently contacting investors, analysts or journalists regarding issues concerning the Company or its affiliates. This belongs

to the exclusive responsibilities of the Managing Director and the Corporate Communications department. Discretion is the key obligation in this regard.

However, Directors may, on invitation from the Managing Director, participate in communication activities undertaken by the Recticel Group.

Furthermore, Directors and corporate officers are requested to support, in private and in public, the position of the Recticel Group regarding strategy, policies and actions.

VII.2. CODE OF CONDUCT ON THE PREVENTION OF INSIDER DEALING AND MARKET ABUSE

VII.2.1. Introduction

The Board of Directors of the Company has drawn up a set of rules (the “Rules”) regulating the declaration and conduct obligations regarding transactions in shares or other financial instruments of the Company carried out by Directors and other designated persons for their own account.

The purpose of these Rules is to prevent the illegal use – or the appearance thereof – of insider information by members of the Board of Directors, members of the executive management, employees, shareholders and other designated persons.

These Rules contain preventive measures helping to respect the legal provisions and to preserve the Company’s reputation in the market. Indeed, insider dealing will affect the liquidity of the share and could endanger the optimal financing of the Company.

It is to be noted that compliance with the Rules of this Code does not exempt the insider in question from his or her individual liability.

VII.2.2. Definitions

Insider

Any member of the Board of Directors or the executive management of the Company, anyone who participates in the share capital or other financial instruments of the Company or has access to information as a result of his or her employment, profession or duties and is or should reasonably be aware of the fact that the information in question represents inside information and is subject to the Rules, and who has signed these Rules. The legal term for these Insiders is “primary insiders”.

Secondary Insider

Any person who is not an Insider but who holds information of which he or she should know that it is inside information coming directly or indirectly from an Insider.

Inside information

According to Belgian legislation, information is considered “inside information” when the information has the following four characteristics :

- a) **The information has not been publicly disclosed.**
- b) **The information is precise.**
- c) **The information relates directly or indirectly to the Company or the Company’s financial instruments.**

d) If disclosed, the information would or could have a significant effect on the prices of the Company's financial instruments.

Based on the above guidelines, mere rumours can not be considered insider information. The information must relate to a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to do so and if 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 Company's financial instruments. However, the information must not necessarily refer to events or facts that have already occurred or that will definitely occur. The probability or the possibility that events or facts could occur can be sufficiently precise.

Examples of information relating to the Company or its financial instruments are : information relating to the Company results, important contracts, R&D developments, mergers, acquisitions or divestments, movements in the capital, dividend or shareholdership, issuances of financial instruments, restructurations, management changes, strategy changes, non-compliance with regulations or contractual obligations, and so on.

The fact that the price was actually influenced or not when the information was later disclosed is irrelevant. . Information will be likely to have a significant effect on the prices of the financial instruments of the Company if a reasonable investor would be likely to use the information as part of the basis of his investment decisions.

Prohibited actions

The following actions are forbidden for Insiders and Secondary Insiders, in Belgium and abroad.

a) Trading

Directly or indirectly acquiring or disposing of or trying to acquire or dispose of financial instruments of the Company for one's own account or for the account of a third party. Also trading Inside information is prohibited. This prohibition relates to both market and other actions.

b) Communicating

Disclosing Inside information to third parties outside the normal scope of one's employment, profession or duties. The Insider who has Inside information is bound to silence, which can only be broken in the normal course of his or her employment, profession or duties.

c) Tipping-off

Recommending a third party to acquire or dispose of financial instruments of the Company or to have financial instruments acquired or disposed of by a third party on the basis of Inside information.

For the prohibition against trading to constitute a **criminal offence** a causal link must be established between the possession of Inside information and the trading. The law explicitly requires that the Insider uses the Inside information to acquire or dispose of the securities.

Unlike the criminal offence, the **administrative offence** does not require a causal link: it is sufficient that the person possesses Inside information and acquires or disposes of securities, even if he or she did not use the Inside information to act. It is important to note that the actions above are prohibited not only in Belgium but abroad as well.

Penalties

Persons violating these legal provisions commit a criminal offence and may be sentenced to a prison term for a period of three months to one year and/or a fine of € 50 to € 10,000 under Belgian law.

In addition, the person in question may be sentenced to a fine equal to maximum three times the amount of the profit directly or indirectly realised by the illegal transaction(s).

Whether a profit was made is irrelevant for the purposes of determining liability and punishment.

The above-mentioned trading, communicating and tipping off are not the only punishable acts; any attempt to trade financial instruments on the basis of Inside information is also punishable.

In addition, the Financial Services and Markets Authority (FSMA) as supervisory body may also impose **administrative** fines ranging from € 2,500 to € 2,500,000. If the breach resulted in any profit for the offender, the maximum fine can be as much as double the profit, or even triple the profit in case of repeat offences.

VII.2.3. BASIC PRINCIPLE

If a person has access or is given access to inside information within the scope of the normal performance of his or her duties, this person has the important obligation to treat this information confidentially and is not allowed to trade in Financial Instruments of the Company to which this inside information relates, or to communicate this information to others, or to tipp-off others.

VII.2.4. CODE OF CONDUCT

The following regulations form the code of conduct for the Company Insiders with regard to Insider dealing and in order to prevent market abuse, but does not exempt individuals from their personal criminal and civil liability.

VII.2.4.1. Prohibited actions

In the framework of their professional activities, Company Insiders have access to information he or she knows or should reasonably know to be Inside information.

Pursuant to the relevant Belgian legal provisions it is forbidden :

- To, whether or not using this Inside information, acquire or dispose of Financial Instruments to which this Inside information relates or related derivative financial instruments or to attempt to acquire or dispose of such instruments for one's own account or for the account of third parties;
- To disclose the Inside information to third parties outside the normal scope of one's employment, profession or duties ;
- To recommend a third party to acquire or dispose of the Financial Instruments to which this Inside information relates or related derivative financial instruments or to have such instruments acquired or disposed of by other persons on the basis of the Inside information.

VII.2.4.2. Compliance Officer

The Board of Directors has appointed the Company Secretary as compliance officer (the "Compliance Officer") of the Company. The Compliance Officer will supervise the compliance of the Company Insiders with this Code. He will further ensure that every new board member, manager and relevant employee of the Company or of its subsidiaries signs or has signed this Code.

VII.2.4.3. Closed and Prohibited periods

It is absolutely forbidden for Insiders to realise transactions relating to the Company's Financial Instruments during a "closed period" or during any other period (a "prohibited period") that may be considered sensitive and that is indicated as such by the Board.

During the following closed periods no stock-related transactions may be carried out by the Insider :

- a) the period of six weeks preceding the publication of the annual results as well as the first day of trading following the publication; and
- b) the period of six weeks preceding the publication of the half-year results as well as the first day of trading following the publication.

VII.2.4.4. Preventive measures

No speculative trading.

Speculative trading by Insiders in Financial Instruments of the Company could lead to unlawful conduct and/or – if revealed - creates the appearance of such conduct. It is hence prohibited. . It is hence agreed that Insiders will not perform any of the following actions with regard to the securities of the Company:

- Successively acquiring and disposing of Financial Instruments within a period of less than 1 month, with the exception of the sale of shares acquired by execution of warrants or share options; and
- Acquiring and disposing of sale and purchase options ("*puts*" and "*calls*").

Guidelines to maintain the confidential character of inside information.

In order to maintain as much as possible the confidential character of Inside information, the following non-exhaustive guidelines should be followed by all Insiders :

- Refuse to comment on behalf of the Company on external research by analysts or journalists ;
- Use code names for delicate projects ;
- Use passwords on the computer systems so as to limit access to the documents in which insider information could be found ;
- Limit access to offices where insider information could be found or where Inside information is discussed ;
- Always safely store Insider information ;
- Do not discuss confidential information in public areas ;
- Mark sensitive documents with the word "Confidential" and use sealed envelopes marked "Personal & Confidential" ;
- Limit as much as possible the copying of sensitive documents and clearly indicate on the copies for who they are intended ;
- If appropriate, require people who consult confidential information to sign a register;
- Never leave Inside information without supervision ;
- Always point out the confidential character of the information and the fact that the confidentiality has to be respected to employees who come in contact with Inside information ;
- Always check the fax number when faxing Inside information and verify that someone with access to this information is present to receive this information ;
- Avoid sending Inside information by e-mail as much as possible or, if not practical, limit the number of addressees, indicate that the e-mail contains confidential information, use encryption, or ways to prevent the printing, forwarding or copying of the e-mail.

In any given circumstances all other suitable measures also have to be taken. In case of doubt the Insider should contact the Compliance Officer.

VII.2.4.5. List of Insiders

The Company will keep one or several lists of all persons working for it, on the basis of an employment agreement or otherwise, who have access to Inside information, whether on a regular or occasional basis. The Company will regularly update this list and transmit it to the Financial Services and Markets Authority ("FSMA") whenever the latter requests it.

These lists contain the following information:

- the identity of any person having access to Inside information;
- the reason why any such person is on the list and the date on which they were granted access to this Inside information;
- the date at which the list was created and updated.

The Company immediately updates the lists:

- whenever there is a change in the reason why a person is on the list;

- whenever any person has to be added to the list;
- by mentioning whether and when any person already on the list has no longer access to Inside information.

The persons who appear on these lists will be notified thereof and will be asked to sign the present Protocol.

VII.2.4.6. Internal notification of market transactions (intention and effective trade)

Notification of the intention to trade

Each Insider wishing to acquire or dispose of Financial Instruments of the Company must notify the Compliance Officer in writing (by letter, fax or e-mail) no later than three business days before the actual transaction. In this notification, the Insider confirms that he or she does not possess any Inside information.

Advice of the Compliance Officer

If there is no indication that the intended transaction violates this Code, the Compliance Officer shall give a "nihil obstat" advice. Should the Compliance Officer have indications that the transaction is not in conformity with this Code or Belgian legislation, he shall consult the Chief Executive Officer, and issue a negative advice, which is to be regarded as an express rejection by the Company of the intended transaction. The absence of an advice from the Compliance Officer can not be (mis)taken as an approval of the intended transaction. Nor does a positive advice preclude the application of the Belgian legal provisions in this regard, as also referred to in this Code. A positive advice hence does not liberate the person intending a transaction, of his sole responsibility to comply at all times with the law and regulations in this regard.

Notification of the actual transaction

If the transaction takes place, the Insider must inform the Compliance Officer no later than three business days after the transaction took place, with an indication of the number of Financial Instruments traded and the price at which the trade was executed.

VII.2.4.7. External notification of market transactions by managerial persons

Persons discharging managerial responsibilities within the Company – and, where applicable, persons closely associated with them – must notify to the FSMA the existence of transactions conducted on their own account relating to shares of the Company, or to derivatives or other securities linked to them.

A "person discharging managerial responsibilities" means:

- (a) a member of the board of directors or of one of the committees of the Company;
- (b) a senior executive discharging managerial responsibilities, but who is not a member of the bodies mentioned under (a) and who has access to Inside information on a

regular basis, and who has the authority to take management decisions which will have consequences for future developments and business prospects of the Company.

A "person closely associated with a person discharging managerial responsibilities" means:

- (a) the husband or wife of the person discharging managerial responsibilities or the life partner of this person who is legally considered to be equal with a husband or wife;
- (b) the children of the person discharging managerial responsibilities;
- (c) other family members of the person discharging managerial responsibilities who, at the date of the transaction, have been a part of the same household as the person in question for at least one year;
- (d) a legal entity, trust or partnership of which the managerial responsibility lies with one of the above mentioned persons, which are directly or immediately controlled by such person, which has been incorporated in favour of such person or whose economic interests are virtually equal to those of such person.

The notification must occur:

- (a) for transactions of at least EUR 5,000: within five business days following the execution of the transaction;
- (b) for transactions of less than EUR 5,000:
 - within five business days following the transaction as a result of which the total amount of the transactions exceeds the threshold of EUR 5,000 during the current calendar year;
 - before 31 January of the following year if the total amount of the transactions during the calendar year amounted to less than EUR 5,000.

The total amount of the transactions consists of the sum of all transactions for own account of the person involved with managerial responsibilities and all transactions for own account of persons closely associated with him or her.

The notification to the FSMA must contain the following information:

- name of the person discharging managerial responsibilities or, when the occasion rises, the name of the person closely associated with this person;
- reason for notification obligation;
- name of the Company;
- description of the financial instrument (e.g. share or warrant);
- nature of the transaction (e.g. acquisition or alienation);
- date and place of the transaction;
- price and volume of the transaction.

VII.2.4.8. Publication of trade

Transactions that can reasonably be expected to have an influence on the price of the Company shares must be published immediately pursuant to the rules on occasional information distribution.

VII.2.4.9. Permitted transactions

Certain transactions are always allowed, even if performed during closed or prohibited periods. Exercising warrants or share options is allowed, but the shares resulting from the exercise may of course not be sold during the closed or prohibited periods, not even to cover the exercise price and/or taxes. The acquisition of shares within the context of a distribution of dividends is also allowed, as are transactions executed within the context of a discretionary management of capital outsourced to third parties on the basis of a written agreement and for as much as the Insider does not exert any influence on the policy followed by the third party.

VII.2.4.10. Duty to report with regard to major participating interests

The Insiders undertake to comply with article 17 of the articles of association of the Company regarding the transparency declarations to be made when passing thresholds by acquiring or disposing of Company shares. It is to be noted that the Company has instated a system of a first 3% threshold on top of the legally obligatory 5% thresholds.

VII.2.4.11. Duration

Insiders undertake to comply with this Code up to six months after the end of their relationship with the Company.

VII.2.4.12. Changes

The Board reserves the right to change this Code. The Company will inform the Insiders about any changes and will provide copies of the revised regulations, that will take effect upon receipt.

VII.2.4.13. Privacy regulations

The information provided by the Insider pursuant to this Code will be processed by the Compliance Officer pursuant to the law of 8 December 1992 on the protection of personal data, as amended by the law of 11 December 1998 ("Data protection law") with a view to the prevention of insider dealing. On the basis of the Data protection law, every Insider has access to his or her personal data and has the right to correct eventual errors.