

# **CORPORATE GOVERNANCE CHARTER**

**TITAN CEMENT INTERNATIONAL S.A.**

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## INTRODUCTION

This Corporate Governance Charter is based on the provisions of the Belgian Corporate Governance Code (2020 edition), which has been adopted by the Company as reference code. It supplements the corporate governance guidelines contained in the Belgian Companies and Associations Code and in the articles of association of the Company.

The purpose of the corporate governance rules is to ensure efficient and transparent management and effective control of the Company. The Board is of the opinion that clear agreements on best practices may contribute to long-term value creation and to a proper balance between entrepreneurship and supervision.

The objective of the Board is to comply with the principles of the Belgian Corporate Governance Code as closely as possible,

Any deviation from the Belgian Corporate Governance Code is mentioned in Section 6 hereof and the reason for such deviation (“comply or explain”) will be clearly indicated in the annual Statement on Corporate Governance included in the Annual Report.

This Corporate Governance Charter is supplemented by a number of appendices, which are an integral part of the Corporate Governance Charter:

- Terms of reference of the Board of Directors;
- Policy for transactions and other contractual relationships between the Company, its Board members, its Management Committee and other designated persons;
- Terms of reference of the Audit Committee;
- Terms of reference of the Nomination Committee;
- Terms of reference of the Remuneration Committee;
- Terms of reference of the Company’s Management Committee;
- Terms of reference of the Group Executive Committee, and
- Dealing Code.

### 1. DEFINITIONS

1.1 In this Corporate Governance Charter, the following terms have the meaning indicated below:

**Annual report** means the annual report of the Company drawn up by the Board, as referred to in article 3:5 of the Belgian Companies and Associations Code.

**Audit Committee** means the committee designated as such in Clause 3.2 of the terms of reference of the Board.

**Board** means the Board of Directors of the Company.

**CFO** means the Chief Financial Officer, i.e. the person entrusted with the day-to-day financial management of the Company.

**CGC** means the Belgian Corporate Governance Code (2020 edition).

**CG Charter** means this Corporate Governance Charter and all its appendices.

**Chairman (of the Board)** means the person appointed by the Board members to act as chairman.

**Committee** means, with regard to the Board, any committee of the Board, as referred to in Clause 3.2 of the terms of reference of the Board.

**Company** means **TITAN CEMENT INTERNATIONAL S.A.**, whose registered office is at Rue de la Loi 23, 7th floor, box 4, 1040 Brussels, and with the company number **0 699 936 657**.

**Dealing Code** has the meaning set out in Clause 5 of this CG Charter.

**External auditor** means the external auditor of the Company who is entrusted with the audit of the Company's financial statements in accordance with title 4 of Book III of the Belgian Companies and Associations Code.

**Financial statements** means the financial statements of the Company as referred to in article 3:1 of the Belgian Companies and Associations Code.

**General Shareholders' Meeting** means any general meeting of the shareholders of the Company.

**Group** (or **TCI Group**) means the Company and its subsidiaries from time to time.

**Group Executive Committee** means the committee designated as such in Clause 3.2 of the terms of reference of the Board (Appendix 1).

**Inside Information** has the meaning set out in Appendix 8.

**In writing** means by letter, fax or email or by means of a message that is transmitted by any other accepted means of communication and that can be received in writing.

**Management Committee** has the meaning given to this term in Appendix 6.

**Managing Director** means the person entrusted with the day-to-day management of the Company.

**Nomination Committee** means the committee designated as such in Clause 3.2 of the terms of reference of the Board (Appendix 1).

**Remuneration Committee** means the committee designated as such in Clause 3.2 of the terms of reference of the Board (Appendix 1).

**Related Company** has the meaning given to this term in article 1:20 of the Belgian Companies and Associations Code, and Related Companies will be construed accordingly.

**Remuneration Report** is a specific part of the Statement on Corporate Governance and consists of at least the elements listed in Appendix 5.

**Secretary (of the Company)** means the person designated as secretary of the Company in accordance with Clause 3.3 of the terms of reference of the Board (Appendix 1).

**Statement on Corporate Governance** (or **CG Statement**) means that part of the Company's annual report in which the Company declares that it has adopted the CGC as a reference code. The Statement on Corporate Governance also contains additional relevant information concerning the Company's corporate governance policy, including potential amendments to or relevant events within the framework of this policy, the Remuneration Report, a description of the main elements of the internal control and risk management systems, the information to be disclosed by the Company under

transparency regulations and a description of the composition and operation of the Board and the Committees.

**Subsidiary** has the meaning given to this term in article 1:15 of the Belgian Companies and Associations Code.

- 1.2 Unless it appears otherwise from the context, the following assumptions are made in this CG Charter:
- (a) terms and expressions indicated in singular also include the plural and vice versa;
  - (b) words and terms indicated in the masculine form also include the feminine form and vice versa; and
  - (c) any reference to a legal provision is regarded as a reference to such provision, including any amendments, extensions and substitute clauses thereof which will be applicable from time to time.
- 1.3 Titles of articles and other titles in this CG Charter are only included for ease of reference but do not form part of the CG Charter for interpretation purposes.

## **2. STRUCTURE AND ORGANISATION**

### **2.1 Legal structure**

TITAN CEMENT INTERNATIONAL S.A. (TCI) is a public limited liability company (“*société anonyme*”) incorporated under Belgian law. The Company’s shares are listed on the regulated markets of Euronext Brussels, Athens Exchange and Euronext Paris. The seat of effective management of the Company is in Cyprus at Andrea Zakou and Michail Paridi street, MC Building, Egkomi, 2404 Nicosia.

The Company’s articles of association are available on its website [www.titan-cement.com](http://www.titan-cement.com).

### **2.2 Governance structure**

The Board has a one-tier governance structure. This one-tier structure consists of the Board which is authorized to carry out all actions that are necessary or useful to accomplish the Company’s purpose, except for those acts for which only the General Shareholders’ Meeting has the required powers in accordance with applicable laws or the Company’s articles of association.

At least once every five years, the Board reviews whether the chosen governance structure is still appropriate, and if not, it should propose a new governance structure to the General Shareholders’ Meeting.

The composition, powers and operation of the Board are described in the terms of reference of the Board (see Appendix 1).

The Board has set up an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee. These Committees are advisory bodies. They assist the Board in specific matters, which they monitor closely and with regard to which they formulate recommendations to the Board (although all final decisive powers remain entrusted to the Board). The composition, powers and operation of the Committees are described in their respective terms of reference (see Appendices 3, 4 and 5, which are also published on the website of the Company). The Board may modify these terms of reference at all times and revoke the powers granted to the respective Committees.

The Company has a Management Committee of which the composition, the role, the tasks, the duties and the operation are set out in the relevant terms of reference (see Appendix 6).

The executive management of the Company consists of the executive directors of the Company and the members of the Management Committee. The Board has delegated the Company's day-to-day management to the Company's Managing Director, who may further delegate duties and authorities to other members of the management and to third parties.

### **2.3 Company website**

The Company's website is [www.titan-cement.com](http://www.titan-cement.com) (see also article 1 of the Company's articles of association).

The Board ensures that all information which the Company must publish pursuant to legal provisions, the CGC or this CG Charter is posted on and updated in a separate (meaning: separate from the commercial information relating to the Company) and clearly recognisable part of the Company's website.

The Company's CG Charter should be updated as often as needed to reflect the Company's current governance structure at any time.

Any amendments to this CG Charter are reported on the Company's website without delay and explicitly specifying the date of the most recent update.

## **3. SHAREHOLDERS**

### **3.1 Transparency Declarations:**

The Company has not set a specific threshold requiring a transparency declaration in its articles of association, and therefore applies the legal thresholds, requiring a transparency declaration at 5% and each subsequent multiple of 5%.

As of 26/8/2019 the denominator is 82,447,868 shares/ voting rights

### **3.2 Agenda of the General Shareholders' Meeting**

Shareholders who individually or jointly represent at least 3% of the share capital may, on the terms provided for in article 7:130 of the Belgian Companies and Associations Code, propose items for inclusion on the agenda of the General Shareholders' Meeting or make proposals for resolutions of the General Shareholders' Meeting.

The Company should make relevant information accessible through its website in advance of the General Shareholders' Meeting in accordance with the provisions of the Belgian Companies and Associations Code.

## **4. TRANSACTIONS BETWEEN THE COMPANY OR GROUP SUBSIDIARIES AND BOARD MEMBERS, MEMBERS OF THE COMPANY'S MANAGEMENT COMMITTEE AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE**

The Board has formulated a policy on transactions and other contractual relationships between the Company or the Group Subsidiaries and members of the Board, of the Management Committee and the Group Executive Committee.

This policy is attached as Appendix 2.

## **5. TRANSACTIONS INVOLVING SHARES OF THE COMPANY**

The Board has formulated a set of rules with regard to transactions involving shares or other financial instruments of the Company carried out by the members of the Board, members of the Company's Management Committee and other designated persons for their own account ( the **Dealing Code**), which is attached as Appendix 8. The Board has designated a MAR Compliance Officer to monitor compliance with the rules by the Board members, the Company's Management Committee and Group directors, managers, officers and employees who are in possession of Inside Information.

## **6. REFERENCE CODE ON CORPORATE GOVERNANCE.**

The Company uses the Belgian Corporate Governance Code 2020 as a reference code in the meaning of article 3:6, §2, section 1 of the Belgian Companies and Associations Code, except with regard to the following deviations:

Any deviation from the Belgian Corporate Governance Code and the reason for such deviation ("comply or explain") will be clearly indicated in the annual Statement on Corporate Governance included in the Annual Report.

## **7. MISCELLANEOUS**

### **7.1 Amendment**

This CG Charter may be amended by the Board from time to time and without prior notification.

The Board may decide to deviate from this CG Charter with regard to specific items, provided that the applicable rules are complied with and that such departures are disclosed in this CG Charter . The CG Statement describes all relevant information on events affecting the Company's governance during the year under review, including any material amendments made to the Company's CG Charter.

Any amendment must be published on the Company's website without delay (see also Clause 2.3 of this CG Charter). A third party will not be entitled to derive any rights from any such amendment.

### **7.2 Partial invalidity**

If one or several provisions of this CG Charter are or become invalid, this invalidity will not affect the validity of the remaining provisions. The Board can replace the invalid provisions by valid provisions the effect of which, given the contents and the purpose of this CG Charter, corresponds to the largest possible extent, to that of the invalid provisions.

### **7.3 Applicable law and jurisdiction**

This CG Charter is governed by Belgian law. The Belgian courts have exclusive jurisdiction to settle disputes resulting from or relating to this CG Charter (including disputes relating to the existence, validity or termination of this CG Charter). In the case of a discrepancy between a provision of this CG Charter and a (stricter) legal provision or provision of the articles of association, the latter provision will prevail.

## **APPENDIX 1**

### **TERMS OF REFERENCE OF THE BOARD**

#### **INTRODUCTION**

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

These terms of reference supplement the provisions relating to the Board and its members, as contained in the applicable legislation, regulations and in the articles of association of the Company.

The meaning of a number of terms used, whether capitalised or not, which have not been defined in these terms of reference are given the same meaning as in the list of terms in Clause 1 of the CG Charter.

#### **1. COMPOSITION**

##### **1.1 Composition**

- (a) The Board has a minimum of three (3) members and a maximum of fifteen (15) members. The Board is composed of executive directors, independent directors and other non-executive directors. The actual number of members may vary depending on the needs of the Company.
- (b) A majority of the Board comprises of non-executive directors.
- (c) At least three directors are independent directors.

The respective decision to appoint an independent director states the reasons why the director is considered independent.

Independent of the decision of the General Shareholders' Meeting, the Board decides which non-executive directors are to be regarded as independent. In assessing independence, the criteria set out in Provision 3.5 of the CGC are taken into account, as well as article 7:87 of the Belgian Companies and Associations Code and any other relevant law or regulation.

Any independent director who ceases to satisfy the requirements of independence immediately informs the Board thereof through the Chairman.

The Board should ensure that, when considering nominating the former Managing Directors as a Board member, the necessary safeguards are in place so that the new Managing Director has the required autonomy. Given that the Company's shares were first admitted to listing in 2019, the Board, pursuant to article 7:86 Belgian Companies and Associations Code is not required to comply with the legal rules on gender diversity prior to the first day of the sixth financial year following the Company's admission, i.e. until 1 January 2026. Nevertheless, the Company intends to comply with this rule before the end of the above period.

A list of the members of the Board is disclosed in the CG Statement, indicating which members of the Board are independent directors.

The Board ensures that processes are in place for the orderly and timely succession of the Board members. It satisfies itself that any appointment and re- appointment will allow an appropriate balance of skills, knowledge, experience and diversity to be maintained on the Board and its Committees.

##### **1.2 Appointment**

- (a) The members of the Board are appointed by the General Shareholders' Meeting. If a director mandate becomes vacant, the remaining members of the Board may provisionally fill the vacancy, as set forth in article 7:88 of the Belgian Companies and Associations Code.

- (b) The Nomination Committee recommends one or several candidates to fill any vacant director mandate, taking into account the needs of the Company, in accordance with the appointment procedure set out in the terms of reference of the Nomination Committee (see Appendix 4) and selection criteria set out by the Board for that purpose.
- (c) The Board then makes proposals for appointment or re-election to the General Shareholders' Meeting. The appointment proposal put to the General Shareholders' Meeting includes a recommendation from the Board. Any proposal specifies the proposed term of the mandate and includes relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds. The Board will indicate which candidates satisfy the independence criteria as set out in Provision 3.5 of the CGC. (This provision also applies to proposals for appointments originating from shareholders).
- (d) The Board has a composition appropriate to the Company's purpose, its operations, phase of development, structure of ownership and other specifics. The composition of the Board is determined so as to gather sufficient expertise in the Company's areas of activity as well as sufficient diversity of skills, background, age and gender.
- (e) Members of the Board are appointed for a maximum term of three years and can be re-elected by the General Shareholders' meeting for new term(s).

## **2. POWERS OF THE BOARD**

### **2.1 Role**

- (a) The Board as a collegial body pursues sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance.
- (b) In order to effectively pursue such sustainable value creation, the Board develops an inclusive approach that balances the legitimate interests and expectations of shareholders and other stakeholders.
- (c) The Board supports the executive management in the fulfilment of their duties and constructively challenges the executive management whenever appropriate. The Board members are available to give advice, also outside Board meetings.

### **2.2 Duties**

The main duties of the Board are to:

- (a) decide on the Company's values and regularly review the Company's medium and long-term strategy based on proposals from the executive management;
- (b) ensure that it approves the operational plan and main policies developed by the executive management to give effect to the approved Company strategy.
- (c) ensure that the Company's culture is supportive of the realization of its strategy and promotes responsible and ethical behaviour.
- (d) determine the risk appetite of the Company in order to achieve the Company's strategic objectives.
- (e) approve the framework of internal control and risk management proposed by the executive management and review the implementation of this framework. It also describes the main features of these internal control and risk management systems of the Company and discloses them in the CG Statement.

- (f) take all necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information in accordance with applicable law.
- (g) ensure that the Company presents an integrated view of the Company's performance in its annual report and, that it contains sufficient information on issues of societal concern and the relevant environmental and social indicators.
- (h) select the External Auditor on recommendation of the Audit Committee and supervise its performance and is responsible for monitoring the internal auditor, taking into account the review made by the Audit Committee.
- (i) ensure that there is a process in place for monitoring the Company's compliance with laws and other regulations, as well as for the application of internal guidelines relating thereto.
- (j) supervise and assess the Management Committee's performance.
- (k) appoint and dismiss the members of the Management Committee, in consultation with the Managing Director, and taking into account the need for a balanced executive team. The Board determines the powers and duties entrusted to the Management Committee and develops a clear delegation policy.
- (l) approve the main terms and conditions of the contracts of the Managing Director and other executives further to the advice of the Nomination Committee and the Remuneration Committee.
- (m) satisfy itself that there is a succession plan in place for the Managing Director and the other members of the executive management, and reviews this plan periodically.
- (n) decide on the composition of the Group Executive Committee, appoint its members and its chairman, aiming for an efficient operation of the Group and close cooperation and coordination between all Group subsidiaries.
- (o) be responsible for the corporate governance structure of the Company and compliance with the CGC-provisions and monitoring thereof, ensure an effective dialogue with shareholders and potential shareholders through appropriate investor relation programmes, in order to achieve a better understanding of their objectives and concerns. Feedback of such dialogue should be given to the Board, on at least an annual basis.
- (p) encourage shareholders, and in particular, institutional investors, to communicate their evaluation of the Company's corporate governance prior to the General Shareholders' Meetings and at least through participation in the General Shareholders' Meeting.
- (q) act in accordance with the interests of the Company, when performing its duties.

### **3. OPERATION OF THE BOARD**

#### **3.1 Meetings of the Board**

- (a) The Board meets at least six times a year and whenever a meeting is deemed necessary or advisable for its proper functioning.

The number of Board meetings and the individual attendance record of the respective directors are disclosed in the CG Statement.

- (b) The non-executive directors meet at least once a year, without the Company's Managing Director and the other executive directors being present.

- (c) Board meetings are convened in the manner set forth 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 is sent to all members of the Board at least two calendar days prior to the meeting. Every agenda item is accompanied by as much written information as possible and any relevant documents are appended. The agenda items state whether they will be discussed for information, deliberation or decision making purposes.

- (d) Board meetings are chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the meeting is chaired by the Vice Chairman and in the absence of the Vice Chairman by another Board member.
- (e) Each member of the Board is entitled to have another member of the Board to represent him by proxy. The powers of attorney are submitted to the Chairman of the Board, or in his absence, to the Chairman ad interim.
- (f) In the event that all members of the Board are present, it can validly deliberate on the items of the agenda and there is no need to verify compliance with the convening formalities.
- (g) At least half of the members of the Board need to attend the meeting (either in person, or by conference call or by proxy) to constitute the meeting quorum.
- (h) Without prejudice to the provisions of the articles of association of the Company, decisions are taken by majority of the votes cast by the members present or represented at the Board meeting.
- (i) No individual or group of directors dominates the Board's decision-making.
- (j) The Secretary of the Company, or another person designated by the Chairman of the meeting, draws up minutes of the deliberations of a meeting of the Board. The minutes of the meeting describe and/or summarize the discussions that took place, specify the decisions that were adopted and include any reservations made by the respective members of the Board. The names of the interveners are only recorded if specifically requested by them. The minutes are approved by the Board either at the end of the Board meeting or at the occasion of the subsequent Board meeting.

### **3.2 Committees**

- (a) The Board has set up specialised Committees to analyse specific issues and advise the Board on those issues, with a view to an efficient performance of its duties and responsibilities. Without prejudice to its right to set up other Committees, the Board has set up an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee. These Committees have a mere advisory role, as the actual decision-making remains the responsibility of the Board, which remains collegially responsible. Strategy formulation is not referred to any permanent committee.

The Board determines the terms of reference for the Committees provided for in the CGC (see Appendices 3, 4 and 5). The Board also specifies the composition and operation of each Committee in the CG Statement.

- (b) The Company has a Management Committee, the composition, the role, the tasks, the duties and the operation of which are set out in the relevant terms of reference ( see Appendix 6).
- (c) The Board has set up a Group Executive Committee, the composition, and the operation of which are set out in the relevant terms of reference (see Appendix 7), for the purpose of (i) facilitating the supervision of the Group operations, the cooperation and coordination between the Company's subsidiaries and the monitoring of the Group management performance and (ii) ensuring the implementation of decisions and related accountability.

The members of the Group Executive Committee are appointed by the Board. The Group Executive Committee is composed of certain executive directors and senior managers of the Company, the heads of the main Group regions and other senior managers of the Group. Certain members of the Group Executive Committee will be employees of the Company and others, including certain executive members of the Board, will be employees of other Group subsidiaries. The Chairman of the Group Executive Committee is appointed by the Board.

- (d) The Board pays particular attention to the composition of each of the Committees. It ensures that each Committee, as a whole, has a balanced composition and has the necessary independence, skills, knowledge, experience and capacity to execute its duties effectively.
- (e) The Board ensures that a chairman is appointed for each Committee.
- (f) Each Committee meets sufficiently regularly to execute its duties effectively. Members of the executive and senior management may be invited to attend Committee meetings to provide relevant information and insights into their areas of responsibility. Each Committee is entitled to meet with any relevant person without any executive being present.
- (g) After each Committee meeting, the Board receives a written report on its findings and recommendations (“minutes”) and oral feedback from each Committee at the next Board meeting.

### **3.3 Secretary of the Company**

- (a) The Board appoints a Secretary, who assists the Board, the Chairman of the Company, the Committee chairpersons and the members of the Board and the Management Committee in the performance of their duties. All members of the Board have access to the Secretary for advice and services.
- (b) The Board oversees that the person appointed as the Secretary has the necessary skills and knowledge of corporate governance matters.
- (c) The Secretary supports the Board and its Committees on all governance matters and assists the Chairman of the Board in the organisation of matters relating to the Board and its Committees (preparing meetings, reporting on meetings, information, etc.).
- (d) The Secretary ensures a good information flow within the Board and its Committees and, between the executive management and the non-executive directors.
- (e) The Secretary facilitates the initial induction of the Board and Committee members and assists with their professional development as required.
- (f) The Secretary prepares the CG Charter and the CG Statement.
- (g) The Secretary ensures that the corporate bodies of the Company comply with the laws and with the articles of association, the CG Charter and the terms of reference of the Company.
- (h) The Secretary reports to the Board with respect to the execution and compliance with the procedures, rules and regulations of the Board regularly, under the direction of the Chairman of the Board.
- (i) The Secretary ensures that the essence of the discussions and decision at Board meetings are accurately captured in the minutes.
- (j) The Secretary may delegate his/her duties arising under the CG Charter, or parts thereof, to a substitute appointed by him/her following consultation with the Chairman of the Board.

## **4. CHAIRMAN OF THE BOARD**

### **4.1 Appointment**

- (a) The Board appoints one of its members as Chairman of the Board. The Chairman and the Managing Director are not the same individual. There is a clear division of responsibilities between the Chairman and the Managing Director.
- (b) The Board appoints its Chairman on the basis of his/her knowledge, skills, experience and mediation strengths. The Chairman is a person trusted for his/her professionalism, independence of mind, coaching capabilities, ability to build consensus and, communication and meeting management skills. Should the Board consider appointing the former Managing Director of the Company as Chairman, it carefully considers the positive and negative implications of such a decision and disclose in the CG Statement why such appointment will not hamper the required autonomy of the Chairman.

### **4.2 Role of the Chairman**

- (a) The Chairman of the Board is responsible for the leadership of the Board and for the effectiveness of the Board in all aspects.
- (b) The Chairman of the Board takes 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 ensures that there is sufficient time for consideration and discussion before decision-making. Once decisions are taken, all directors should be supportive of their execution.
- (c) The Chairman promotes effective interaction between the Board and the executive management. He establishes a close relationship with the Managing Director, providing support and advice, while fully respecting the executive responsibilities of the Managing Director.

### **4.3 Duties of the Chairman**

- (a) Within the Board, the Chairman of the Board is primarily responsible for:
  - (i) setting the agenda of the Board meetings, after consultation with the Managing Director and the Company Secretary. The agenda specifies which topics are for information, for deliberation or for decision-making purposes;
  - (ii) ensuring that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly complied with.;
  - (iii) ensuring that the members of the Board receive accurate, concise, timely and clear information before the meetings and, where necessary, between meetings, and that all members of the Board receive the same information so that they can make a knowledgeable and informed contribution to Board discussions. All Board members receive the same Board information;
  - (iv) chairing the meetings of the Board and ensuring that the Board operates and takes decisions as a collegial body;
  - (v) monitoring the implementation of decisions taken and determining whether further consultation within the Board with regard to the implementation thereof is required;
  - (vi) ensuring a regular assessment of the corporate structure and the corporate governance of the Company and assessing whether their operation is satisfactory;

- (vii) ensuring, together with the Company Secretary, that newly appointed directors receive an appropriate induction;
  - (viii) being accessible to the directors, the members of the Management Committee and the internal auditor (if any) to discuss issues relating to the management of the Company.
- (b) The Board may decide to entrust the Chairman of the Board with additional responsibilities. In any event, the Chairman of the Board has a permanent invitation to attend the meetings of any Committee. However, the Chairman of the Board may not attend the meetings of the Nomination Committee or of the Remuneration Committee during which his own reappointment or removal is discussed or during which his remuneration is discussed.
- (c) With regard to shareholders and third parties, the Chairman of the Board is mainly responsible for:
- (i) ensuring effective communication with shareholders and that Board members develop and maintain an understanding of the views of the shareholders and other significant stakeholders;
  - (ii) chairing the General Shareholders' Meeting and ensuring that relevant questions from shareholders are answered; and
  - (iii) representing the Company at professional organisations, socio-economic groups, the government, etc.

## **5. PROFESSIONAL DEVELOPMENT OF THE BOARD**

### **5.1 Training and professional development**

- (a) Newly appointed directors should receive an appropriate induction after joining the Board, geared to their role, including an update on the legal and regulatory environment, to ensure their capacity to swiftly contribute to the Board. The purpose of the induction process is to:
- (i) help the new directors grasp the fundamentals of the Company, including its governance, strategy, key policies, financial and business challenges;
  - (ii) advise the new directors on their rights and duties as directors.
- (b) The Chairman of the Board prepares a general induction programme with the assistance of the Secretary of the Company. The purpose of this programme is to provide each new director with a general induction to ensure their early contribution to the Board.
- (c) The directors are individually responsible for developing and updating the knowledge and qualifications required to perform their duties in the Board and in the Committees of which they are members. To this end, the Company will make available the necessary resources.

### **5.2 Advice**

Board members and members of the Committees are entitled to seek independent professional advice, at the Company's expense, about issues that fall within the scope of their powers, having first obtained the permission of the Chairman of the Board.

### **5.3 Evaluation**

- (a) The Board is responsible for a periodic assessment of its own effectiveness with a view to ensuring continuous improvement in the governance of the Company. The Board assesses at least every three years its own performance and its interaction with the executive management, as well as its size, composition, functioning and that of its Committees. The evaluation is carried out through a formal

process, whether or not externally facilitated, in accordance with a methodology approved by the Board.

- (b) The Board reviews the executive management's performance and the realisation of the Company's strategic objectives annually against agreed performance measures and targets.
- (c) At the end of each Board member's term, the Nomination Committee evaluates this Board member's presence at the Board or Committee meetings, its commitment and its constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The Nomination Committee should also assess whether the contribution of each Board member is adapted to changing circumstances.
- (d) In order to facilitate such evaluation, the directors give their full assistance to the Nomination Committee, the Remuneration Committee and any other persons, whether internal or external to the Company, entrusted with the evaluation of the directors.
- (e) Based on the results of the evaluation, the Nomination Committee should, where appropriate and possibly in consultation with external experts, submit a report commenting on the strengths and weaknesses to the Board and make proposals to appoint new directors or to not re-elect directors.
- (f) The Board acts on the results of the performance evaluation. Where appropriate, this will involve proposing new Board members for appointment, proposing not to re-appoint existing Board members or taking any measure deemed appropriate for the effective operation of the Board.
- (g) The CG Statement discloses information on the main features of the evaluation process of the Board, its Committees and its individual directors.

## **6. REMUNERATION**

The Remuneration Committee, set up by the Board, is responsible for outlining a remuneration policy for the executive and non-executive directors, taking into account the overall remuneration framework of the Company. The Company's rules regarding the current remuneration policy for the executive and non-executive directors is set out in Appendix 5.

## **7. CODE OF CONDUCT**

- 7.1 This code of conduct sets out the expectations for the Company's leadership and employees in terms of responsible and ethical behaviour. The Board monitors compliance with the code of conduct at least on an annual basis.
- 7.2 All Board members uphold the highest standards of integrity and probity.
- 7.3 All Board members shall demonstrate independence of mind and shall always act in the best interests of the Company. Board members engage actively in their duties and should be able to make their own sound, objective and independent judgements when discharging their responsibilities. Acting with independence of mind includes developing a personal conviction and having the courage to act accordingly by assessing and challenging the views of other Board members, by interrogating the executives when appropriate in the light of the issues and risks involved, and by being able to resist group pressure. Although all members of the Board are part of the collegial body, the executive as well as the non-executive directors each perform a specific and complementary role within the Board.
- 7.4 Board members make sure they receive detailed and accurate information and should spend sufficient time studying it carefully so as to acquire and maintain a clear understanding of the key issues relevant to the Company's business. Board members seek clarification whenever they deem it necessary.

7.5 Board members do not use the information obtained in their capacity as a Board member for purposes other than for the exercise of their mandate. Board members handle the confidential information received in their capacity as a Board member with utmost care. Each member of the Board undertakes, both during his membership of the Board and afterwards, not to disclose to anyone in any manner any confidential information relating to the business of the Company or companies in which the Company has an interest (a) that came to his knowledge within the normal scope of his activities for the Company and (b) that he knows, or should know, to be confidential, unless he has a legal obligation to disclose that information.

However, a member of the Board may disclose the information described above to staff members of the Company, or of companies in which the Company has an interest, who need to be informed of such information in view of their activities for the Company or for the companies in which the Company has an interest.

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

7.6 Board members communicate to the Board any information in their possession that could be relevant to the Board's decision-making. In the case of sensitive or confidential information, Board members should consult the Chairman.

7.7 Each member of the Board undertakes not to develop, either directly or indirectly, during the term of his mandate, any activities nor perform any actions that conflict with the activities of the Company or its Subsidiaries. In this respect, the directors must abstain from the following actions:

- (i) attempt to encourage staff members of the Company or its Subsidiaries to terminate their relationship with the Company or its Subsidiaries;
- (ii) attempt to encourage a buyer, customer, supplier, agent, franchisee, network supplier or any other contracting party to terminate a relationship with the Company or its Subsidiaries or to change the terms of any such relationship in a way that is detrimental to the Company or its Subsidiaries.

7.8 Each member of the Board complies with the policy relating to transactions and other contractual relationships between the Company and its Board members, as included in Appendix 2.

7.9 The above code of conduct also applies to the Secretary.

## APPENDIX 2

### **POLICY FOR TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIPS BETWEEN THE COMPANY OR GROUP SUBSIDIARIES AND MEMBERS OF THE BOARD OR OF THE MANAGEMENT COMMITTEE OR OF THE GROUP EXECUTIVE COMMITTEE OR OTHER DESIGNATED PERSONS**

#### **INTRODUCTION**

This policy is part of the CG Charter of the Company.

The meaning of a number of terms, whether or not capitalised, used but not defined in this policy is given in the list of terms included in Clause 1 of the CG Charter.

#### **1. POLICY**

- 1.1 Each Board member place the Company's interests above their own. The Board members have the duty to look after the interests of all shareholders on an equivalent basis. Each Board member act according to the principles of reasonableness and fairness.
- 1.2 When the Board takes a decision, Board members disregard their personal interests. They do not use business opportunities intended for the Company for their own benefit.
- 1.3 Each member of the Board undertakes to manage both his personal and professional interests in a manner which does not give rise to direct or indirect conflicts of interest with the Company or to the appearance of such a conflict. All transactions between the Company or the Group Subsidiaries and members of the Board, require the approval of the Board. They can only take place at arm's length.
- 1.4 For instance, members of the Board or of third parties acting on their behalf may not, either directly or indirectly, conclude agreements with the Company or the Group Subsidiaries relating to the delivery of goods or paid services (other than in the context of their director's or management mandate), other than with the express authorisation of the Board.
- 1.5 Each member of the Board is, in particular, attentive to conflicts of interests that may arise between the Company, its members of the Board, its significant or controlling shareholder(s) and other shareholders. The Board members who are proposed by significant or controlling shareholder(s) should ensure that the interests and intentions of these shareholder(s) are sufficiently clear and communicated to the Board in a timely manner.
- 1.6 If members of the Board are confronted with possible conflicting interests arising from a decision or transaction of the Company or Group Subsidiary, they must inform the Chairman of the Board thereof as soon as possible. In particular, at the latest at the beginning of each Board or Committee meeting, relevant members declare whether they have any conflict of interests regarding the items on the agenda.
- 1.7 Conflicting interests include conflicting proprietary interests, functional or political interests or interests involving family members (up to the second degree).
- 1.8 In the possible case of a conflict of interests, the Board, under the lead of its Chairman, decides which procedure it will follow to protect the interests of the Company and all its shareholders, and also taking into account the applicable provision of the Belgian Companies and Associations Code. In the next annual report, the Board explains why they chose this procedure. However, where there is a substantial conflict of interests, the Board carefully considers communicating as soon as possible on the procedure followed, the most important considerations and the conclusions.

- 1.9 If article 7:96 of the Belgian Companies and Associations Code is applicable, the Board member involved must abstain from participating in the deliberations and in the voting regarding the agenda items affected by such conflict of interest.
- 1.10 To the extent relevant, these provisions applicable to the members of the Board are *mutatis mutandis* applicable to members of the Management Committee or of the Group Executive Committee or other designated persons.

## APPENDIX 3

### TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE

#### INTRODUCTION

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

The meaning of a number of terms, whether or not capitalised, used but not defined in these terms of reference is given in the list of terms included in Clause 1 of the CG Charter.

#### 1. COMPOSITION

- 1.1 The members of the Audit and Risk Committee are appointed, and may at any time be dismissed, by the Board.
- 1.2 The Audit and Risk Committee is composed of at least three directors. All members of the Audit and Risk Committee are non-executive directors, while the majority of its members are independent directors.
- 1.3 The members of the Audit and Risk Committee have a collective expertise regarding the activities of the Company. At least one member of the Audit and Risk Committee has the necessary expertise with regard to accountancy and audit.
- 1.4 The Audit and Risk Committee is chaired by one of its members who is an independent director.
- 1.5 The duration of the mandate of a member of the Audit and Risk Committee should not exceed the duration of his/her mandate as a director of the Company.
- 1.6 The Secretary of the Company acts as the secretary of the Audit and Risk Committee. The Secretary may delegate his/ her duties arising from these terms of reference, or parts thereof, to a substitute appointed by him/ her following consultation with the chairman of the Audit Committee.

#### 2. POWERS

##### 2.1 Role of the Audit and Risk Committee

The Audit and Risk Committee supports the Board in fulfilling its monitoring responsibilities in respect of control in the broadest sense, including risks.

##### 2.2 Duties of the Audit and Risk Committee

The Audit and Risk Committee is the main point of contact of the External Auditor.

Without prejudice to the legal duties of the Board, the Audit and Risk Committee performs all duties set out in article 7:99 of the Belgian Companies and Associations Code and is entrusted with the development of a long-term audit programme encompassing all activities of the Company, including:

##### (a) Monitoring the financial reporting process

The Audit and Risk Committee monitors the integrity of the financial information provided by the Company and ensures that the financial reporting by the Company provides a true, honest and clear picture of the situation and the prospects of the Company, both on an individual and on a consolidated basis. In monitoring the financial reporting process, the Audit and Risk Committee in particular reviews the relevance and consistency of the accounting standards used by the Company and its Subsidiaries, taking into account the criteria for consolidation of the financial

statements of Company and its Subsidiaries. The Audit and Risk Committee assesses the accuracy, completeness and consistency of the financial information.

The Audit and Risk Committee also reviews periodic information, prior to its publication as well as the relevance and consistency of the accounting standards used, the impact of new accounting rules, the treatment of “balancing items” in the financial statements, prognoses, the work of the External Auditor, etc.

The Audit and Risk Committee discusses significant financial reporting issues both with the Management Committee and with the External Auditor.

**(b) Monitoring the effectiveness of the Company’s internal control and risk management systems**

The Audit and Risk Committee reviews the internal control and risk management systems set up by the Management Committee at least once a year. This review aims to assure effective identification, management and publication of the main risks in accordance with the framework approved by the Board.

The Audit and Risk Committee assesses and approves the statements on internal control and risk management included in the CG Statement. Furthermore, it assesses the existing special arrangements in place to the staff of the Company for expressing their concerns about potential improprieties regarding financial reporting or other matters and brings such arrangements to the attention of the staff members of the Company. The Audit and Risk Committee should agree on arrangements whereby staff may inform the chairman of the Audit Committee directly. If deemed necessary, the Audit and Risk Committee makes arrangements for independent investigation and appropriate follow-up of these matters in proportion to their alleged gravity.

**(c) Monitoring the internal audit and its effectiveness**

The Audit and Risk Committee ensures that the Internal Audit function of the Company has available resources and skills are adapted to the Company’s nature, size and complexity.

The Audit and Risk Committee approves the appointment and removal of the internal auditor, as well as the work programme and the budget allocated to internal audit. It reviews the effectiveness of the internal audit function, taking into account the complementary role of the internal and external audit functions. The Audit and Risk Committee receives the internal audit reports or a periodic summary of such reports.

The Audit and Risk Committee should monitor management’s responsiveness to the findings of the internal audit function. The External Auditor and the head of the Internal Audit function have direct and unrestricted access to the chairman of the Audit and Risk Committee and the Chairman of the Board.

**(d) Monitoring the statutory audit of the annual and consolidated financial statements, including any follow-up on any questions and recommendations made by the External Auditor**

Without prejudice to the legal provisions which require that the External Auditor provides reports or warnings to the administrative bodies of the Company, the External Auditor reports to the Audit and Risk Committee on the key matters arising from the statutory audit of the financial statements, and in particular on material weaknesses in internal control in relation to the financial reporting.

The Audit and Risk Committee monitors the External Auditor's work programme and reviews the effectiveness of the external audit process and the responsiveness of the management to the recommendations made by the External Auditor in his management letter.

The Audit and Risk Committee ensures that the audit and the audit report cover the group as a whole.

The Audit and Risk Committee determines the manner in which the External Auditor is involved in the content and the publication of financial information on the Company other than the financial statements.

**(e) Reviewing and monitoring of the independence of the External Auditor, in particular regarding the provision of additional services to the Company.**

The Audit and Risk Committee makes a proposal to the Board regarding the selection, appointment and reappointment of the External Auditor as well as the terms for his engagement. The Board submits a proposal to the General Shareholders' Meeting for approval. The Audit and Risk Committee's proposal on the appointment of the External Auditor is included in the agenda of the relevant General Shareholders' Meeting. The same applies to the renewal of this appointment.

The External Auditor:

- (i) confirms, in writing, to the Audit and Risk Committee his independence from the Company (on an annual basis);
- (ii) informs the Audit and Risk Committee about the additional services provided to the Company (on an annual basis);
- (iii) examines the risks relating to his independence and the safety measures taken to decrease these risks as documented by him, in discussion with the Audit and Risk Committee.

The Audit and Risk Committee monitors the independence of the External Auditor. The External Auditor provides the Audit and Committee with a report containing a description of all relationships between the External Auditor and the Company and its Subsidiaries. The Committee assesses the efficiency of the external audit, taking into account the relevant regulatory and professional standards.

The Audit and Risk Committee monitors the nature and scope of all additional services, which have been provided by the External Auditor. The Audit and Risk Committee draws up an official policy report, which it submits to the Board and which sets forth the additional services that are:

- (i) excluded;
- (ii) permitted after review by the Committee; and
- (iii) permitted without referral to the Audit and Risk Committee, taking into account the specific requirements of the Belgian Companies and Associations Code.

### **3. OPERATION**

#### **3.1 Meetings**

- (a) The Audit and Risk Committee meets at least four times a year, and whenever a meeting is deemed necessary and appropriate for its proper functioning. It regularly reviews its terms of reference and its

own effectiveness and recommends any necessary changes to the Board (at least every two to three years).

- (b) The meetings of the Audit and Risk Committee are convened by the secretary of the Audit Committee in consultation with the chairman of the Audit and Risk Committee. Each member of the Audit and Risk Committee can convene an Audit and Risk Committee meeting.

Except where urgent issues have arisen (as determined by the chairman of the Audit and Risk Committee), the agenda of the meeting is sent to all members of the Audit and Risk Committee at least two calendar days prior to the meeting. Every agenda item is accompanied by as much written information as possible and relevant documents are appended.

- (c) In the event that all members of the Audit and Risk Committee are present, it can validly deliberate on the items of the agenda and there is no need to verify compliance with the convening formalities.
- (d) At least two members of the Committee need to attend the meeting (either in person, or by conference call) to constitute the meeting quorum.
- (e) Decisions are taken by simple majority of the votes cast by the members of the Committee.
- (f) The Chairman of the Board has a permanent invitation to attend the meetings of the Audit and Risk Committee. The Audit and Risk Committee may also invite other persons to attend its meetings.
- (g) Matters relating to the audit plan and any issues arising from the audit process should be placed on the agenda of every Audit and Risk Committee meeting, and should be discussed specifically with the External Auditor and internal auditor at least once a year.
- (h) The Audit and Risk Committee meets the External Auditor and the internal auditor at least twice a year, to discuss matters relating to its terms of reference, issues falling within the powers of the Committee and any issues arising from the audit process and, in particular, any material weaknesses in the internal audit. The External Auditor may request the chairman of the Audit and Risk Committee to be authorised to attend a meeting of the Audit and Risk Committee.
- (i) The Audit and Risk Committee is automatically entitled to receive all information required for the performance of its duties from the Board, the Management Committee and the Company staff. The Audit and Risk Committee can request any senior person or employee of the Company, the Managing Director, the internal auditor, external legal advisors or the External Auditor to attend a meeting of the Audit and Risk Committee or to consult with members or advisors of the Audit and Risk Committee.
- (j) The Audit and Risk Committee is entitled to seek external professional advice, at the Company's expense, about issues that fall within the scope of its powers, having first informed the Chairman of the Board thereof.
- (k) Each member of the Audit and Risk Committee has access to the books, data and offices of the Company and may have discussions with executives and employees of the Company if this might be useful for the proper performance of his duties.
- (l) In addition to maintaining an effective working relationship with the Management Committee, the internal auditor and the External Auditor are guaranteed free access to the Board. To this effect, the Audit and Risk Committee acts as the principal point of contact. The External Auditor and the internal auditor have direct and unrestricted access to the chairman of the Audit and Risk Committee and to the Chairman of the Board.
- (m) Any member of the Audit and Risk Committee must inform the Audit and Risk Committee of:

- (i) any personal financial interest (except in his capacity as shareholder) in any matter on which the Audit and Risk Committee decides; or
- (ii) any possible conflict of interests which may arise as a consequence of any other mandates he holds.

### **3.2 Reporting to the Board**

- (a) The secretary of the Audit and Risk Committee or any other person designated by the chairman of the meeting draws up a report of the findings and recommendations of the meeting of the Audit and Risk Committee. He provides all members of the Board with the report as soon as possible after the meeting. If requested, the chairman of the Audit and Risk Committee must provide more detailed information on the results of the discussions of the Audit and Risk Committee during the meetings of the Board.
- (b) The Audit and Risk Committee will inform the Board clearly and in time, of any major developments in the areas that fall within the scope of its responsibilities.
- (c) The Audit and Risk Committee reports to the Board on the exercise of its duties on a regular basis, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as regards the steps to be taken.
- (d) The Audit and Risk Committee reports to the Board annually or, if necessary, more frequently, on the developments in the relationship with the External Auditor, and in particular on the viewpoint of the Audit and Risk Committee on the External Auditor's independence.
- (e) The chairman of the Audit and Risk Committee (or any other member of the Audit and Risk Committee) is available during the General Shareholders' Meeting to answer questions about the activities of the Audit and Risk Committee.
- (f) Each member of the Board is given unlimited access to all data of the Audit and Risk Committee and may exercise this right following consultation with the chairman of the Audit and Risk Committee and the Secretary of the Company.

## APPENDIX 4

### TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

#### INTRODUCTION

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

The meaning of a number of terms used, whether capitalised or not, which have not been defined in these terms of reference are given the same meaning as in the list of terms in Clause 1 of the CG Charter.

#### 1. COMPOSITION

- 1.1 The members of the Nomination Committee are appointed, and may at any time be dismissed, by the Board.
- 1.2 The Nomination Committee is composed of at least three directors. All members of the Nomination Committee are non-executive directors, while the majority of its members are independent directors.
- 1.3 The Nomination Committee is chaired by the Chairman of the Board or by another non-executive member of the Nomination Committee. The Chairman of the Board may however not chair the Nomination Committee when dealing with the designation of his successor.
- 1.4 The duration of the mandate of a member of the Nomination Committee should not exceed the duration of his/her mandate as a director of the Company.
- 1.5 The Secretary of the Company acts as the secretary of the Nomination Committee. The Secretary may delegate his duties arising from these terms of reference, or parts thereof, to a substitute appointed by him or her following consultation with the chairman of the Nomination Committee.

#### 2. POWERS

##### 2.1 The Role of the Nomination Committee

The Nomination Committee makes recommendations to the Board with regard to the appointment of directors, the Managing Director of the Company and other members of the Management Committee and the Group Executive Committee as well as their orderly succession.

##### 2.2 Duties of the Nomination Committee

The Nomination Committee ensures in general, that the appointment and re-election process of the members of the Board, the Managing Director and the members of the Management Committee and the Group Executive Committee is organised objectively and professionally and, in particular and notwithstanding the legal powers of the Board, has the following duties:

- (a) draft (re)appointment procedures for Board members and the members of the Management Committee and the Group Executive Committee ;
- (b) nominate candidates for any vacant directorships, for approval by the Board;
- (c) prepare proposals for reappointments;
- (d) periodically assess the size and composition of the Board and, if applicable, making recommendations with regard to any changes;
- (e) analyse the aspects relating to the succession of directors;

- (f) advise on proposals (including, of the management or of the shareholders) for the appointment and removal of directors and of members of the Management Committee and the Group Executive Committee;
- (g) advise the Board on proposals made by the Managing Director for the appointment and removal of executive directors and of members of the Management Committee and the Group Executive Committee; and
- (h) ensure that sufficient and regular attention is paid to the succession of executives and that the appropriate talent development programs and programs to promote diversity in leadership are in place.

When performing its duties relating to the composition of the Board, the Nomination Committee takes into account the criteria for the composition of the Board, as stated in Clause 1 of the terms of reference of the Board.

### **3. OPERATION**

#### **3.1 Meetings of the Nomination Committee**

- (a) The Nomination Committee meets at least once a year, and whenever a meeting is deemed necessary and advisable for its proper functioning. The Nomination Committee also meets whenever changes to the composition of the Board (including reappointments and new appointments) are necessary. It regularly reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board (at least every two to three years).
- (b) The meetings of the Nomination Committee are convened by the secretary of the Nomination Committee in consultation with the chairman of the Nomination Committee. Each member of the Nomination Committee may convene a meeting of the Nomination Committee.

Except where urgent issues have arisen (as determined by the chairman of the Nomination Committee), the agenda for the meeting is sent to all members of the Nomination Committee at least two calendar days prior to the meeting. Every agenda item is accompanied by as much written information as possible and relevant documents are appended.

- (c) In the event all members of the Nomination Committee are present, it can validly deliberate on the items of the agenda and there is no need to verify compliance with the convening formalities.
- (d) At least two members of the Nomination Committee need to attend the meeting (either in person, or by conference call) to constitute the meeting quorum.
- (e) Decisions are taken by simple majority of the votes cast by the members of the Nomination Committee.
- (f) The Chairman of the Board has a permanent invitation to attend the meetings of the Nomination Committee. The Nomination Committee may also invite other persons to attend its meetings.
- (g) The Nomination Committee is entitled to seek external professional advice, at the Company's expense, about issues that fall within the scope of its powers, having first informed the Chairman of the Board thereof.
- (h) Any member of the Nomination Committee must inform the Committee of:
  - (i) any personal financial interest (except in his capacity as shareholder) in any matter on which the Nomination Committee decides; or

- (ii) any possible conflict of interest which may arise as a consequence of any other mandates that he holds.

### **3.2 Reporting to the Board**

- (a) The secretary of the Nomination Committee or any other person designated by the chairman of the meeting must draw up a report of the findings and recommendations of the meeting of the Nomination Committee. He provides all member of the Board with the report as soon as possible after the meeting. If requested, the chairman of the Nomination Committee must provide more detailed information on the results of the discussions of the Nomination Committee during the meetings of the Board.
- (b) The Nomination Committee will inform the Board clearly and in time, of any major developments in the areas that fall within the scope of its responsibilities.
- (c) The Nomination Committee reports to the Board on the exercise of its duties on a regular basis, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as regard the steps to be taken.
- (d) The chairman of the Nomination Committee (or any other member of the Nomination Committee) is available during the annual General Shareholders' Meeting to answer questions about the activities of the Nomination Committee.
- (e) The Nomination Committee handles with utmost discretion when preparing documents about its deliberations and recommendations.
- (f) Each member of the Board is given unlimited access to all data of the Nomination Committee and may exercise this right following consultation with the chairman of the Nomination Committee and the Secretary of the Company.

### **3.3 PROCEDURE FOR THE APPOINTMENT AND REAPPOINTMENT OF BOARD MEMBERS**

- (a) The Nomination Committee leads the nomination process and recommends suitable candidates to the Board.
- (b) The Nomination Committee evaluates the skills, knowledge and experience already present or still required on the Board prior to any new appointment to the Board. The Nomination Committee prepares a profile that describes the role and skills, experience and knowledge required pursuant to such evaluation.
- (c) The Nomination Committee seeks suitable candidates and verifies whether the candidates have the required profile to hold the office of director.
- (d) New candidates are interviewed by the Nomination Committee.
- (e) The candidates are made aware of the scope of the non-executive directors' duties at the time of their application, in particular regarding the time commitment involved in carrying out those duties, also taking into account the number and the importance of their other commitments. The non-executive directors confirm they have sufficient time available to meet what is expected of them, taking into account the number and importance of their other commitments. Any changes in other relevant commitments and any new commitments outside the Company are promptly reported to the Chairman of the Board, as non-executive directors should not hold more than five directorships in listed companies.

- (f) Subsequently, the Nomination Committee recommends the suitable candidates to the Board. The Chairman of the Board and the chairman of the Nomination Committee ensure that, before considering the candidate, the Board has sufficient information about the candidate, such as the candidate's résumé, the assessment by the Nomination Committee based on an initial interview with the candidate, a list of the positions already held by the candidate and any other information necessary for assessing the candidate's independence.
- (g) The Board must make a proposal to the General Shareholders' Meeting to appoint or reappoint the selected directors, after having been informed of the recommendations. The proposal for appointment by the General Shareholders' Meeting specifies the proposed term of the mandate (within the limits imposed by the law, the Company's articles of association and this CG Charter) and is accompanied by relevant information on the candidate's professional qualifications, together with a list of the positions already held by the candidate. The Board indicates whether a candidate meets the independence criteria and must also state the proposed term of the mandate.
- (h) The annual report of the Board contains concise information about the professional qualifications of the directors.

## APPENDIX 5

### TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

#### INTRODUCTION

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

The meaning of a number of terms used, whether capitalised or not, which have not been defined in these terms of reference are given the same meaning as in the list of terms in Clause 1 of the CG Charter.

#### 1. COMPOSITION

- 1.1 The members of the Remuneration Committee are appointed, and may at any time be dismissed, by the Board.
- 1.2 The Remuneration Committee is composed of at least three directors. All members of the Remuneration Committee are non-executive directors, while the majority of its members are independent directors and have the necessary expertise with regard to remuneration policies, (*i.e.* have at least three years' experience in personnel management matters).
- 1.3 The Remuneration Committee is chaired by the Chairman of the Board or by another non-executive member of the Remuneration Committee. The Chairman of the Board may however not chair the Remuneration Committee when dealing with the designation of his remuneration.
- 1.4 The duration of the mandate of a member of the Remuneration Committee should not exceed the duration of his/her mandate as a director of the Company. The Secretary of the Company acts as the secretary of the Remuneration Committee. The Secretary may delegate his duties arising from these terms of reference, or parts thereof, to a substitute appointed by him or her following consultation with the chairman of the Remuneration Committee.

#### 2. POWERS

##### 2.1 The Role of the Remuneration Committee

The Remuneration Committee makes proposals to the Board (i) with regard to the Company's remuneration policy and the remuneration of directors, members of the Company's Management Committee and members of the Group Executive Committee as well as on the arrangements concerning early termination, (ii) on the annual review of the executive management's performance and (iii) on the realisation of the Company's strategy against performance measures and targets.

##### 2.2 Duties of the Remuneration Committee

The Remuneration Committee, notwithstanding the legal powers of the Board, has the duties provided for in article 7:100 of the Belgian Companies and Associations Code, including the following duties:

- (a) prepare and assess proposals for the Board on the remuneration policy for non-executive directors, and, where applicable, on the resulting proposals to be submitted by the Board to the shareholders;
- (b) prepare and assess proposals for the Board on the remuneration policy for the executive management, and, where applicable, on the resulting proposals to be submitted by the Board to the shareholders, at least with regard to:
  - (i) the main contractual terms, including the main characteristics of the pension schemes and termination arrangements;

- (ii) the key elements of the remuneration, including:
  - (A) the relative importance of each component of the remuneration package;
  - (B) the performance criteria applicable to the variable elements (determination of milestones and their evaluation period); and
  - (C) the fringe benefits;
- (c) prepare and assess proposals to the Board regarding the individual remuneration of members of the Board, the Management Committee and the Group Executive Committee, including, depending on the situation, on variable remuneration and long-term incentives – whether or not stock-related – in the form of stock options or other financial instruments, and, where applicable, on the resulting proposals to be submitted by the Board to the shareholders;
- (d) make proposals to the Board regarding arrangements on early termination and, where applicable, on the resulting proposals to be submitted by the Board to the shareholders;
- (e) submit to the Board:
  - (i) a Remuneration Report which describes, amongst other things, the internal procedure for the development of a remuneration policy and the determination of the remuneration level for non-executive directors and members of the Management Committee, and
  - (ii) a declaration regarding the remuneration policy applied with respect to the members of the Management Committee and the Group Executive Committee, including a description of any material changes thereto since the previous financial year;

The Remuneration Committee presents the Remuneration Report at the annual General Shareholders' Meeting.

- (f) advise the Board on agreements relating to the appointment of the Company's Managing Director and other members of the Management Committee and the Group Executive Committee; and
- (g) verify that the variable criteria for setting remuneration for an executive director or a member of the Management Committee or of the Group Executive Committee are expressly stated in the agreement, and that the payment of this variable remuneration only takes place if such criteria are met during the relevant period, and in accordance with the relevant provisions of the Belgian Companies and Associations Code and also the laws of the country where the executive or manager is contractually employed.

### **3. OPERATION**

#### **3.1 Meetings of the Remuneration Committee**

- (a) The Remuneration Committee meets at least twice a year, and whenever a meeting is deemed necessary and advisable for its proper functioning. The Remuneration Committee regularly reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board (at least every three years).
- (b) The meetings of the Remuneration Committee are convened by the secretary of the Remuneration Committee in consultation with the chairman of the Remuneration Committee. Each member of the Remuneration Committee may convene a meeting of the Remuneration Committee.

Except where urgent issues have arisen (as determined by the chairman of the Remuneration Committee), the agenda for the meeting is sent to all members of the Remuneration Committee at least two calendar days prior to the meeting. Every agenda item is accompanied by as much written information as possible and relevant documents are appended.

- (c) In the event all members of the Remuneration Committee are present, it can validly deliberate on the items of the agenda and there is no need to verify compliance with the convening formalities.
- (d) At least two members of the Remuneration Committee need to attend the meeting (either in person, or by conference call) to constitute the meeting quorum.
- (e) Decisions are taken by simple majority of the votes cast by the members of the Remuneration Committee.
- (f) The Chairman of the Board has a permanent invitation to attend the meetings of the Remuneration Committee. The Remuneration Committee may also invite other persons to attend its meetings.
- (g) The Managing Director and/or the Chairman of the Group Executive Committee attend(s) the meetings of the Remuneration Committee when it handles the appointment and remuneration of the other members of the Management Committee or of the Group Executive Committee.
- (h) A member of the Board may not attend a meeting of the Remuneration Committee when it handles the remuneration of such member of the Board, and may not be involved in decisions concerning his/her own remuneration.
- (i) The Remuneration Committee is entitled to seek external professional advice, at the Company's expense, about issues that fall within the scope of its powers, having first informed the Chairman of the Board thereof.
- (j) Any member of the Remuneration Committee must inform the Committee of:
  - (i) any personal financial interest (except in his capacity as shareholder) in any matter on which the Remuneration Committee decides; or
  - (ii) any possible conflict of interest which may arise as a consequence of any other mandates that he holds.

### **3.2 Reporting to the Board**

- (a) The secretary of the Remuneration Committee or any other person designated by the chairman of the meeting must draw up a report of the findings and recommendations of the meeting of the Remuneration Committee. He/she provides all members of the Board with the report as soon as possible after the meeting. If requested, the chairman of the Remuneration Committee must provide more detailed information on the results of the discussions of the Remuneration Committee during the meetings of the Board.
- (b) The Remuneration Committee will inform the Board clearly and in time, of any major developments in the areas that fall within the scope of its responsibilities.
- (c) The Remuneration Committee reports to the Board on the exercise of its duties on a regular basis, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as regard the steps to be taken.
- (d) The Remuneration Committee submits a Remuneration Report to the Board.

- (e) The chairman of the Remuneration Committee (or any other member of the Remuneration Committee) is available during the annual General Shareholders' Meeting to answer questions about the activities of the Remuneration Committee.
- (f) The Remuneration Committee handles with utmost discretion when preparing documents about its deliberations and recommendations.
- (g) Each member of the Board is given unlimited access to all data of the Remuneration Committee and may exercise this right following consultation with the chairman of the Remuneration Committee and the Secretary of the Company.

#### 4. REMUNERATION POLICY

- 4.1 Levels of remuneration should be sufficient to attract, retain and motivate directors and executive managers who have the profile determined by the Board, to promote the achievements of strategic objectives in accordance with the Company's risk appetite and behavioural norms and to promote sustainable value creation. The remuneration policy must be consistent with the overall remuneration framework of the Company.
- 4.2 When making proposals on the remuneration of **non-executive directors**, the Remuneration Committee observes the following principles:
  - (a) The remuneration takes into account the directorship mandate, any other mandate within the Board or the Committees (e.g. Chairman of the Board) and the resulting responsibilities and time commitments.
  - (b) The remuneration should not concern any performance-related remuneration that is directly related to the results of the Company.
  - (c) No stock options are to be granted to non-executive directors.
  - (d) The Remuneration Report reflects the remuneration and other advantages granted to the non-executive directors (on an individual basis) by the Company or its Subsidiaries.
  - (e) The Company and its Subsidiaries do not grant personal loans, guarantees and the like to members of the Board.
  - (f) The Company and its Subsidiaries do not grant personal loans, guarantees and the like to executive directors, members of the Management Committee or members of the Group Executive Committee.
- 4.3 When making proposals on the remuneration of executive directors, members of the Management Committee or members of the Group Executive Committee, the Remuneration Committee observes the following principles:
  - (a) The remuneration policy for executives should describe the different components of and determine an appropriate balance between fixed and variable remuneration, and cash and deferred remuneration;
  - (b) The variable part of the executive remuneration package should be structured to link reward to overall corporate and individual performance, and to align the interests of the executives with the sustainable value-creation objectives of the Company;
  - (c) The Board sets a minimum threshold of shares to be held by the executives;

- (d) When the Company awards short-term variable remuneration to the executives, this remuneration should be subject to a cap;
  - (e) Without prejudice to any statutory provisions to the contrary or express approval by the General Shareholders' Meeting, stock options should not vest and be exercisable within less than three years. The Company should not facilitate the entering into derivative contracts related to such stock options or to hedge the risks attached, as this is not consistent with the purpose of this incentive mechanism;
  - (f) The Board approves the main terms and conditions of the contracts of the Managing Director and other executives further to the advice of the Remuneration Committee.
  - (g) If the managers are eligible for bonuses based on the performance of the Company or a Subsidiary, the Remuneration Report should state the criteria for the evaluation of the achievements compared to the milestones, as well as the relevant evaluation period. This information should however be provided in such a way that it does not disclose any confidential information regarding the Company's strategy.
- 4.4 When advising on the agreements with the Company's Managing Director or members of the Company's Management Committee, the Remuneration Committee ensures that such agreements refer to the criteria to be taken into account when determining any variable remuneration, it being understood that such variable remuneration must be, as the case may be, spread out over time in accordance with article 7:91 of the Belgian Companies and Associations Code, and that such agreement contains specific provisions regarding an early termination of the agreement.
- 4.5 When drafting proposals regarding severance pay, the Remuneration Committee takes into account, next to the provisions of the Belgian Companies and Associations Code, the following provisions:
- (a) The severance pay awarded to the executive directors, the Managing Director or other members of the Management Committee in the event of an early termination of their respective agreements should not exceed 18 months' remuneration. However, upon advice of the Remuneration Committee, the severance pay awarded could exceed such maximum of 18 months' remuneration.
  - (b) Any provision that provides for a severance pay exceeding 12 month's remuneration is submitted and approved by the General Shareholders' Meeting, it being understood that such provision can only take effect after such approval by the General Shareholders' Meeting.
- 4.6 If the Company has materially deviated from its remuneration policy during the financial year covered by the annual report, this must be clarified in the Remuneration Report.
- 4.7 The Board should submit the remuneration policy to the annual General Shareholders' Meeting. When a significant proportion of the votes have been cast against the remuneration policy, the Company should take the necessary steps to address the concerns of those voting against it, and consider adapting its remuneration policy.

## APPENDIX 6

### TERMS OF REFERENCE OF THE MANAGEMENT COMMITTEE

#### INTRODUCTION

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

The meaning of a number of terms, whether or not capitalised, used but not defined in these terms of reference is given in the list of terms included in Clause 1 of the CG Charter.

#### 1. COMPOSITION

- 1.1. The body entrusted with the management of the Company consists of the Managing Director, the CFO of the Company and other persons appointed by the Board (the “**Management Committee**”).

The Board may change the composition of the Management Committee at any given moment.

- 1.2. The Management Committee is chaired by the Managing Director of the Company.
- 1.3. A list of the members of the Management Committee is published in the CG Statement.

#### 2. THE ROLE AND THE DUTIES OF THE MANAGEMENT COMMITTEE

The Management Committee has the following tasks:

- 2.1. Manage the Company by:
  - proposing, developing, implementing and monitoring the company strategy and its implementation, taking into account the values of the Company, its risk profile and key policies;
  - supporting the Managing Director in the day-to-day management of the Company and with the performance of his other duties;
- 2.2. Provide to the Board a balanced and understandable assessment of the Company’s financial situation, and provide information to the Board that is necessary to enable it to carry out its duties;
- 2.3. Prepare and present to the Board complete, timely, reliable and accurate financial statements of the Company in accordance with the applicable accounting standards and policies of the Company, and prepare the Company’s required disclosure of the financial statements and other material financial and non-financial information; and
- 2.4. Develop, manage and assess internal control systems to allow identification, assessment, management and monitoring of financial and other risks without prejudice to the Board’s monitoring role, based on the framework approved by the Board of Directors.

The Management Committee reports to and is accountable to the Board for the discharge of its responsibilities.

#### 3. OPERATION

##### 3.1. Meetings

- 3.1.1. The Management Committee meets whenever a meeting is required for its proper functioning. It regularly reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board.

- 3.1.2. The meetings of the Management Committee are convened by the Company's Managing Director.
- 3.1.3. Decisions are taken by simple majority of the votes cast by the members of the Management Committee.
- 3.1.4. The Management Committee may invite other persons to attend its meetings.

### **3.2. Conflicts of interests**

If a member of the Management Committee has a direct or indirect interest relating to proprietary rights that conflicts with a decision or action that falls within the powers of the Management Committee, this member may not participate in the deliberations or votes of the Management Committee on these actions or decisions.

## **4. REMUNERATION**

The Board determines the remuneration of the members of the Management Committee on the basis of recommendations from the Remuneration Committee.

## **5. CODE OF CONDUCT**

- 5.1. Each member of the Management Committee is expected to act honestly, ethically and responsibly. The first priority of all Management Committee members is to protect the interests of the Company.
- 5.2. All members of the Management Committee engage actively in their duties and should be able to make their own sound, objective and independent judgements when discharging their responsibilities. Acting with independence of mind includes developing a personal conviction and having the courage to act accordingly by assessing and challenging the views of other members of the Management Committee, and by being able to resist group pressure.
- 5.3. All members of the Management Committee make sure they receive detailed and accurate information and should spend sufficient time studying it carefully so as to acquire and maintain a clear understanding of the key issues relevant to the Company's business. They seek clarification whenever they deem it necessary.
- 5.4. All members of the Management Committee handle the confidential information received in their capacity as a member of the Management Committee with utmost care. Each member of the Management Committee undertakes, both during his membership of the Management Committee and afterwards, not to disclose to anyone in any manner any confidential information with regard to the Company or companies in which the Company has an interest that came to his knowledge within the normal scope of his activities for the Company and that he knows or should know to be confidential, unless he has a legal obligation to disclose this information.

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

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

- 5.5. All members of the Management Committee should communicate to the Management Committee any information in their possession that could be relevant to the Management Committee's decision-making. In the case of sensitive or confidential information, members of the Management Committee should consult the chairman of the Management Committee.

- 5.6. Each member of the Management Committee undertakes not to develop, either directly or indirectly, during the term of his mandate, any activities nor perform any actions that conflict with the activities of the Company or its Subsidiaries. In this respect, the directors must abstain from the following actions:
- (a) any attempt to encourage staff members of the Company or its Subsidiaries to terminate their relationship with the Company or its Subsidiaries;
  - (b) any attempt to encourage a buyer, customer, supplier, agent, franchisee, network supplier or any contracting party to terminate a relationship with the Company or its Subsidiaries or to change the terms of this relationship in a way that is detrimental to the Company or its Subsidiaries.
- 5.7. Each member of the Management Committee is expected to comply with the policy relating to transactions and other contractual relationships between the Company and its Board members, Management Committee members and other designated persons as determined in Appendix 2 to the CG Charter.

## **APPENDIX 7**

### **TERMS OF REFERENCE OF THE GROUP EXECUTIVE COMMITTEE**

#### **1. INTRODUCTION**

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

The meaning of a number of terms, whether or not capitalised, used but not defined in these terms of reference is given in the list of terms included in Clause 1 of the CG Charter.

#### **2. COMPOSITION**

2.1. The Group Executive Committee is composed of certain executive directors and senior managers of the Company, the heads of the main Group regions and other senior managers of the Group. Certain members of the Group Executive Committee are employees of the Company and others, including certain executive members of the Board, are employees of other Group subsidiaries. The members and the chairman of the Group Executive Committee are appointed by the Board.

2.2. The Board may change the composition of the Group Executive Committee at any given moment.

#### **3. THE ROLE AND THE DUTIES OF THE GROUP EXECUTIVE COMMITTEE**

3.1. The role of the Group Executive Committee is facilitating the supervision of the Group operations, the cooperation and coordination between the Company's subsidiaries and the monitoring of the Group management performance and ensuring the implementation of decisions and related accountability.

#### **4. OPERATION**

##### **4.1. Meetings**

4.1.1. The Group Executive Committee meets whenever a meeting is required for its proper functioning. It regularly reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board.

4.1.2. The meetings of the Group Executive Committee are convened by its Chairman.

4.1.3. Decisions are taken by simple majority of the votes cast by its members.

4.1.4. The Group Executive Committee may invite other persons to attend its meetings.

4.1.5. The Secretary of the Group Executive Committee is appointed by its Chairman.

##### **4.2. Conflicts of interests**

If a member of the Group Executive Committee has a direct or indirect interest relating to proprietary rights that conflicts with a decision or action that falls within the powers of the Group Executive Committee, this member may not participate in the deliberations or votes of the Group Executive Committee on these actions or decisions.

#### **5. REMUNERATION**

The Board determines the remuneration of the members of the Group Executive Committee on the basis of recommendations from the Remuneration Committee.

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

- 6.1. Each member of the Group Executive Committee is expected to act honestly, ethically and responsibly.
- 6.2. All members of the Group Executive Committee engage actively in their duties and should be able to make their own sound, objective and independent judgements when discharging their responsibilities. Acting with independence of mind includes developing a personal conviction and having the courage to act accordingly by assessing and challenging the views of other members of the Group Executive Committee, and by being able to resist group pressure.
- 6.3. All members of the Group Executive Committee make sure they receive detailed and accurate information and should spend sufficient time studying it carefully so as to acquire and maintain a clear understanding of the key issues relevant to the Company's business. They seek clarification whenever they deem it necessary.
- 6.4. All members of the Group Executive Committee handle the confidential information received in their capacity as a member of the Group Executive Committee with utmost care. Each member of the Group Executive Committee undertakes, both during his membership of the Group Executive Committee and afterwards, not to disclose to anyone in any manner any confidential information with regard to the Company or its Subsidiaries that came to his knowledge within the normal scope of his activities and that he knows or should know to be confidential, unless he has a legal obligation to disclose this information.

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

- 6.5. Each member of the Group Executive Committee undertakes not to develop, either directly or indirectly, during the term of his mandate, any activities nor perform any actions that conflict with the activities of the Company or its Subsidiaries. In this respect, the directors must abstain from the following actions:
  - (c) any attempt to encourage staff members of the Company or its Subsidiaries to terminate their relationship with the Company or its Subsidiaries;
  - (d) any attempt to encourage a buyer, customer, supplier, agent, franchisee, network supplier or any contracting party to terminate a relationship with the Company or its Subsidiaries or to change the terms of this relationship in a way that is detrimental to the Company or its Subsidiaries.
- 6.6. Each member of the Group Executive Committee should communicate to the Group Executive Committee any information in their possession that could be relevant to the Group Executive Committee's decision-making. In the case of sensitive or confidential information, members of the Group Executive Committee should consult the chairman of the Group Executive Committee
- 6.7. Each member of the Group Executive Committee is expected to comply with the policy relating to transactions and other contractual relationships between the Company and its Board members, Management Committee members and other designated persons as determined in Appendix 2 to the CG Charter.

## **APPENDIX 8**

### **DEALING CODE**

*(Approved by the Board of Directors on [.] 2019)*

#### **1. Introduction**

##### **1.1. Scope of application**

Titan Cement International S.A. (TCI), a company incorporated under the laws of Belgium (the "**Company**"), has established this Dealing Code to comply with applicable laws where the Company's securities will be traded. The legal basis for this Dealing Code is Regulation (EU) No 596/2014 on market abuse, together with its implementing regulations and guidance.

This Dealing Code is addressed to the Company's directors, managers and officers as well as to Group's directors, managers, officers and employees who are in possession of Inside Information (the "**Addressees**"). This Dealing Code also applies to the Group's auditors. Certain obligations are also imposed on close family members of, and companies controlled by, the members of the Board, the Managing Director and the Management Committee (such close family members and companies are referred to as "PCAs" and the members of the Board and the Management Committee are referred to as "PDMRs", each as defined in Annex 1).

All addressees are asked to acknowledge in writing that they have received, read and understood this Dealing Code and that they will comply with it, by filling in and sending the letter attached in Annex 2 to the MAR Compliance Officer.

All PDMRs are also asked to share a list of their PCAs by filling in and sending the letter, attached in Annex 3, to the MAR Compliance Officer.

All PDMRs must notify their PCAs of their obligations under this Dealing Code, by sending them the letter, attached in Annex 4, and they should keep a copy of this notification.

This Dealing Code is intended to ensure that the Addressees do not misuse Inside Information (as defined in Annex 1) which is prohibited under EU market abuse rules, and do not place themselves under suspicion of misusing such Inside Information. This Dealing Code is also intended to ensure that persons that possess Inside Information at a given time maintain the confidentiality of such Inside Information and refrain from market manipulation, either directly or indirectly.

Infringements of applicable market abuse rules may expose you to significant sanctions, such as administrative fines, criminal fines and imprisonment, termination of your employment/service agreement for cause and civil liability.

This Dealing Code is not intended to be exhaustive or to serve as legal advice to Addressees.

##### **1.2. Queries and more information**

If you have any questions or are in any doubt as to how to comply with this Dealing Code, please consult the MAR Compliance Officer.

#### **2. General prohibitions**

##### **2.2. EU prohibitions**

*Insider dealing*

Any person, who possesses Inside Information, may not:

- (a) acquire or dispose of, or attempt to acquire or dispose of, for his/her own account or for the account of a third party, directly or indirectly, Company Securities to which that Inside Information relates; and
- (b) cancel or amend an order concerning Company Securities to which the Inside Information relates where the order was placed before the person concerned possessed the Inside Information,

or attempt to engage in any of the above.

In addition, it is prohibited for any person to (i) take part in any arrangement that leads to one of the abovementioned actions, and (ii) recommend that another person engages in one of the abovementioned actions or inducing another person to take any such actions (which are also referred to as 'tipping').

#### *Unlawful disclosure of inside information*

Any person possessing Inside Information may not disclose that information to any other person, except where the disclosure is made in the normal exercise of his/her employment, profession or duties.

Moreover, the onward disclosure of recommendations or inducements to engage in insider dealing also amounts to unlawful disclosure of Inside Information if the person disclosing the recommendation or inducement knows or ought to know that it was based on Inside Information.

#### *Market manipulation*

It is prohibited for any person to engage in, attempt to engage in, or encourage other persons to engage in, market manipulation. Market manipulation includes, for example, entering into transactions, spreading misleading information or rumours, or any other behaviour that misleads, or is likely to mislead, the market with respect to the supply of, demand for or price of Company Securities.

### **2.3. General scope of application**

The general prohibitions described above, and most other rules described in this Dealing Code, do not apply solely to the Company Securities. They have a general scope of application, applying also to inside information with respect to other companies and their listed shares and debt instruments and any derivatives and other financial instruments in the broadest sense linked thereto.

### **2.4. Dealing in Company Securities**

Addressees may in no case Deal in Company Securities, on their own account or for the account of a third party, directly or indirectly, while in possession of Inside Information.

## **3. Closed Periods**

During Closed Periods (as defined below), PDMRs may not Deal in Company Securities, on their own account or for the account of a third party, directly or indirectly.

The "**Closed Periods**" are:

- (a) the period of 30 calendar days before the announcement of the Company's semi-annual and annual results until the date of the date of the announcement; and
- (b) any other period qualified as such by the Board or the Managing Director.

At the end of each financial year, the Company shall announce the dates corresponding to the Closed Periods for the coming year. The Company shall promptly announce any modifications to these periods during the

course of the financial year. However, the obligation to assess whether you are in possession of Inside Information remains with you at all times (and if you are in doubt as to whether certain information constitutes Inside Information, you should consult the Company's legal counsel or the MAR Compliance Officer).

In exceptional circumstances, a PDMR and their PCAs may nevertheless be given permission to Deal during a Closed Period, due to the existence of exceptional circumstances, such as severe financial difficulty, outside his /her control and other the conditions set out in article 19 of Regulation ( EU) 596/2014 on market abuse and articles 7 and 8 of the Commission Delegated Regulation ( EU) 2016/522 supplementing Regulation (EU) 596/2014.

The PDMRs and their PCAs shall provide a reasoned written request to the Company, addressed to the Board or the Managing Director, justifying the existence of exceptional circumstances and demonstrating that the particular sale must be urgently executed.

#### **4. Post-Dealing notification**

##### *Rules for PDMRs and PCAs*

Each PDMR and PCA must notify the Company (for the attention of the MAR Compliance Officer) and the FSMA of any Dealing conducted on their own account, once a total amount of EUR 5,000 has been reached during a certain calendar year (without netting between Dealings). Such notifications must be made within three Business Days after the date of the Dealing and shall contain at least a description and the identifier of the Company Security, the nature of the Dealing(s) (e.g. acquisition or disposal), the date and place of the Dealing(s) and the price and volume of the Dealing(s).

Notifications have to be made through the online notification tool "eMT" made available by the FSMA on its website ([www.fsma.be](http://www.fsma.be)). The Company's Investor Relations department can also submit such notifications on behalf of PDMRs and their PCAs. PDMRs and PCAs wishing to use this option must inform the MAR Compliance Officer not later than one Business Day after the date of the transaction, providing at least the information mentioned above.

#### **5. Confidentiality policy and procedure**

Unauthorised disclosure of any material information about the Group, its customers, suppliers, agents, joint ventures, affiliates, partnerships and in general any third parties with which the Group may interact, whether or not for the purpose of facilitating improper trading in the Company Securities, may have severe consequences for the Group. Addressees should therefore not discuss non-public matters or developments pertaining to the Group or any such third parties, except as required in the performance of regular corporate duties.

Any person who is in possession of Inside Information at a given time must keep such Inside Information confidential by restricting access to it and by only communicating it to other persons after having obtained prior approval of the head of his/her department and provided the proposed recipient of such Inside Information enters into a confidentiality undertaking before receiving the relevant information. The number of people aware of Inside Information should be kept to the minimum reasonably practicable. The information disclosed should be limited to what the receiving person needs to know at any particular time.

Inside Information may moreover only be disclosed to external advisers and other third parties ("**Relevant Third Parties**"), in any case on a need-to-know basis, after ensuring that such Relevant Third Parties are bound by a confidentiality obligation (either by law, by regulation or by agreement).

Addressees should immediately notify the Company of any known or suspected leak of Inside Information.

#### **6. Insider List and PDMR List**

### *Insider List*

The Company is required to maintain and keep updated a list of all persons who have access to Inside Information, whether these persons are employees of the Company or otherwise perform tasks through which they have access to Inside Information (the "**Insider List**").

The MAR Compliance Officer shall inform all persons that are on the Insider List and shall request them to acknowledge in writing the legal and regulatory duties entailed and the sanctions attaching to the general prohibitions summarised in section 2. The MAR Compliance Officer shall also inform the persons on the Insider List when they are removed from the Insider List.

The Insider List shall include the following details:

- (a) the identity of any person having access to Inside Information (including first name(s), surname(s), birth surname(s) (if different), date of birth, national identification number;
- (b) function, professional telephone number(s), personal telephone number(s) and personal full home address);
- (c) the reason for including that person on the Insider List;
- (d) the date and time at which that person obtained access to Inside Information; and
- (e) the date on which the Insider List was drawn up.

Persons on the Insider List shall be obliged to report to the MAR Compliance Officer, without delay, any change in their personal details.

The Insider List shall be updated promptly, including the date of the update, if (i) there is a change in the reason for including a person already on the Insider List, (ii) there is a new person who has access to Inside Information and therefore needs to be added to the list, and (iii) where a person ceases to have access to Inside Information. Each update shall specify the date and time when the change triggering the update occurred.

The Insider List shall be held by the MAR Compliance Officer. It shall be retained for a period of at least five years after it is drawn up or updated. The Company may submit the Insider List to the FSMA upon request.

### *List of PDMRs and PCAs*

The Company is required to draw up a list of all PDMRs and their PCAs (the "**PDMR List**"). The MAR Compliance Officer shall draw up such list and inform the PDMRs accordingly. For this purpose, the MAR Compliance Officer may require PDMRs to provide the relevant personal information (limited to first name(s), surname(s), birth surname(s) (if different), date of birth and personal full home address) with respect to themselves and their PCAs that are natural persons. For those PCAs that are legal entities, the information that PDMRs will have to provide and that will be included on the PDMR List will be corporate name and legal form, registered address and registration number.

PDMRs shall be obliged to report to the MAR Compliance Officer, without delay, any change in those details with respect to themselves and their PCAs.

## **7. Sanctions**

Failure to comply with applicable market abuse legislation may lead to administrative and criminal measures and sanctions, as well as civil liability. Moreover, failure to comply with applicable legislation or this Dealing Code (which in certain instances goes beyond the restrictions imposed by law) may lead to internal disciplinary measures (including, if appropriate, termination for cause of the employment or service contract). The

Company may moreover claim damages from any person that has caused damage to the Company as a result of violating this Dealing Code or any applicable legislation.

The FSMA, may institute administrative proceedings and have wide investigation powers for that purpose. The FSMA may also adopt a wide range of administrative measures, including: (i) issuing cease-and-desist orders; (ii) disgorgement of profits gained (or losses avoided) due to the infringement; and (iii) public warnings indicating the person responsible for the infringement and the nature of the infringement. Separately, the FSMA may also impose administrative fines ranging between (i) EUR 500,000 and EUR 5 million for natural persons, and (ii) for legal persons, EUR 1 million and EUR 15 million or 15% of annual consolidated turnover (whichever is higher) on the basis of the most recent approved consolidated accounts. If the offence has resulted in a financial gain, then this maximum amount may be increased to three times the amount of such gain.

Criminal proceedings, which may result in criminal fines and imprisonment, may also be instituted for infringements of the general prohibitions summarised in section 2.

## **8. Final provisions**

This Dealing Code, and any future amendments, will be communicated to all Addressees.

All personal information that is communicated to the MAR Compliance Officer shall be treated in accordance with Regulation (EU) 2016/679 (General Data Protection Regulation) and the Belgian law of 30 July 2018 implementing the General Data Protection Regulation (or any future replacing legislation). For further information, please see our privacy policy [*include link or explain where the privacy policy can be found*]. The persons on the List of Designated Employees, the Insider List and the PDMR List have access to their personal information and have the right (and obligation) to correct errors.

\* \* \*

## ANNEX 1

### DEFINITIONS

**"Addressees"**: has the meaning given to it in section 1.1.

**"Board"**: the Company's Board of Directors.

**"Business Day"**: any day (other than a Saturday or Sunday or a bank holiday) on which banks are open for business in Belgium..

**"Closed Period"**: has the meaning given to it in section 3.

**"Company"**: has the meaning given to it in section 1.1.

**"Company Securities"**: any shares and debt instruments issued by the Company and any derivatives and other financial instruments in the broadest sense linked thereto. This includes, among others, options, warrants, forwards, futures, swaps and any other derivative contract with respect to the Company's shares and debt instruments.

**"MAR Compliance Officer"**: the person appointed by the Board to supervise compliance with the market abuse rules and regulations and this Dealing Code and to deal with the matters specified herein.

**"Dealing"**: includes any transaction, in the broadest sense, in respect of Company Securities.

**"Deal"**: has a corresponding meaning. In case of doubt as to whether a certain Dealing is permitted at a given time, or whether such Dealing has to be notified to the competent authority, please contact your legal advisor and/or the MAR Compliance Officer.

**"Management Committee"**: the Company's Executive Committee or Management Committee

**"FSMA"**: the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten /Autorite des Services et Marchés Financiers*) and its successor from time to time.

**"Group"**: the Company and its subsidiaries from time to time.

**"Inside Information"**: information of a precise nature, which has not been made public, which directly or indirectly relates to the Group or the Company Securities and which, if it were made public, would be likely to have a significant effect on the price of the Company Securities. Relevant for these purposes is whether a reasonable investor would be likely to use the information as part of his or her investment decisions.

The following types of information may constitute Inside Information: (i) changes in dividend policy; (ii) earnings estimates not previously disseminated and material changes in previously released earnings estimates; (iii) any proposed changes in the Company's capital structure; (iv) significant changes in senior management; (v) proposed or pending significant mergers, acquisitions, tender offers, joint ventures, commercial agreements or disposals of significant assets or subsidiaries; (vi) significant pending or threatened litigation, arbitration or government investigations; and (vii) significant matters affecting financing or liquidity. This list is by no means exhaustive and a cautious approach needs to be taken in deciding whether something is or is not Inside Information. Please consult the MAR Compliance Officer in case of doubt.

**"Insider List"**: has the meaning given to it in section 6.

**"Persons Discharging Managerial Responsibilities" or "PDMRs"**: the members of the Company's board of directors and the members of the Company's Management Committee .

**"PDMR List"**: has the meaning given to it in section 6.

**"Persons Closely Associated" or "PCA"**: means, in relation to a PDMR:

- (a) a spouse, or a partner that is legally considered to be equivalent to a spouse;
- (b) a child for which the PDMR legally bears responsibility (which includes adopted children);
- (c) a relative who has been sharing the same household as the PDMR for at least one year on the date of the relevant Dealing; or
- (d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by the PDMR or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by the PDMR or such a person, which is set up for the benefit of the PDMR or such a person, or the economic interests of which are substantially equivalent to those of the PDMR or such a person.

\* \* \*

**ANNEX 2**

**LETTER OF ACKNOWLEDGMENT**

To: Titan Cement International S.A.  
Rue de la Loi 23, 7<sup>th</sup> floor, box 4,  
1140 Brussels  
Belgium

I acknowledge that I have received, read and understood the Dealing Code of Titan Cement International S.A. (the Company) related to market abuse and I confirm that I will comply with this Dealing Code.

I specifically authorize the Company to notify the FSMA of my dealings in any Company Securities and thus understand that I should notify the Company of any transactions in Company Securities no later than one business day following the day of the transaction.

Signature: \_\_\_\_\_

Name:

Date: