



# **Corporate Governance Charter and Code of Ethics**

**Adopted by the Board of directors  
on 14 December 2006,  
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## 2 Introduction

Corporate governance covers a number of rules and behaviors based on the transparency and responsibility principles which, by establishing an appropriate balance between entrepreneurship and control, must enable the company to determine its objectives, the means for achieving these objectives and the method of evaluating the results.

The corporate governance rules facilitate performance-centered management and provide management and leadership mechanisms while ensuring integrity and transparency in the decision-making process. In order to ensure effective evaluation of the results and careful management of the potential risks, it is essential for rigorous control systems to operate effectively, for potential conflicts of interest to be managed and for sufficient controls to be implemented to avoid abuses of power that may cause private interests to prevail over company interests.

Corporate governance encourages the Board of Directors and management to pursue objectives that are consistent with the interests of the company, its shareholders and all the stakeholders (staff, customers and suppliers). It contributes to long-term value creation.

This Corporate Governance Charter aims to conform to both Belgian law and the Belgian Code on Corporate Governance (also called the Lippens Code) published on 9 December 2004 at the conclusion of the work undertaken by the Corporate Governance Commission. The Code is based on the following approach:

- principles to be applied without exception
- provisions (recommendations) that describe how to apply the principles: a company has to comply with these or else explain why it is not doing so based on its specific situation (“comply or explain”)
- guidelines (advice) for applying or interpreting the provisions: these are generally qualitative in nature and do not lend themselves to an evaluation in terms of conformity.

The provisions of the Code are aimed at establishing a high level of transparency in corporate governance. This transparency results from the publication of information in two different documents: the Corporate Governance Charter available on the company website, and the chapter on corporate governance in the company’s annual report.

This Corporate Governance Charter describes the main aspects of the corporate governance of EVS Broadcast Equipment (“EVS”). It will be regularly updated, since the company adapts its corporate governance structure as its needs change.

### 3 The General Meeting

The General Meeting of Shareholders has sole authority. It votes on amendments to the Articles of Association, and appoints and dismisses members of the Board of Directors and the statutory auditors. It approves the accounts and the management of the Board of Directors.

### 4 The Board of Directors

#### 4.1 General points

The company is directed by a collegial Board of Directors (“the Board”) whose role is to target the long-term success of the company by providing entrepreneurial leadership and enabling assessment and management of risks.

The Board ensures that its obligations towards all the shareholders are understood and fulfilled. It is answerable to the General Meeting of Shareholders for the exercise of its responsibilities.

The Board determines the company’s values and strategy, its risk appetite and its key policies. It ensures that the necessary financial and human resources are available to enable the company to achieve its objectives.

The Board decides the structure of the Executive Management and determines the powers and duties entrusted to it. These powers and duties are described in the company’s Terms of Reference of the Board of Directors and Terms of Reference of the Management Executive. The Terms of Reference of the Board of Directors is attached.

Concerning the exercise of its monitoring responsibilities, the Board:

- reviews the existence and functioning of a system of internal controls, including adequate identification and management of risks (including risks relating to legal compliance and compliance with the existing rules);
- takes all measures to ensure the integrity of the company’s financial statements;
- reviews the performance of the Executive Management;
- supervises the performance of the statutory auditor.

#### **4.1.1 Organization of the Board of Directors**

The Board of Directors is organized so as to enable the effective execution of its duties. It defines its Terms of Reference by detailing therein its responsibilities, its obligations, its composition and its functioning within the limits laid down by the company’s Articles of Association.

The Chairman is responsible for the leadership of the Board. He takes the necessary measures to develop a climate of trust within the Board, contributing to open discussion, constructive dissent and support for the Board’s decisions.

The Chairman establishes effective interaction between the Board and the Executive Management. The Board may entrust its Chairman with other specific responsibilities.

The Chairmanship of the Board is exercised by a non-executive director.

#### **4.1.2 Composition of the Board of Directors**

The composition of the Board guarantees that the decisions are taken in the company interest, thanks to the diversity and complementarity of the experience, knowledge and skills. A list of the members of the Board is published in the chapter on corporate governance in the annual report.

The Board is sufficiently small to enable effective decision-making. But it is sufficiently large for its members to contribute their experience and knowledge of different sectors and for changes in its composition to be managed without disruption.

No individual director or group of directors is permitted to dominate the decision-making process within the Board.

At least half the Board is composed of non-executive directors and at least three of these are independent.

A non-executive director may not exercise any executive responsibilities within the company.

An independent director is free from any business, close family or other relationship with the company, its controlling shareholders or the management of either that creates a conflict of interest such as to affect the director's independent judgment. A director must meet the following criteria, whereby he is not independent if:

- he is, or has been within the last three years, an executive director or managing director of the company or any of its associated companies;
- he is, or has been within the last three years, an employee of the company or any of its associated companies;
- he receives, or has received, any significant additional remuneration from the company or any of its associated companies, with the exception of the remuneration received as a non-executive director;
- he is a controlling shareholder or holds more than 10% of the shares, or is a director or executive manager of such a shareholder;
- he has, or has had during the past year, significant business relationships with the company or any of its associated companies, directly or as an associate, shareholder, director or senior manager of an entity with this type of relationship;
- he is, or has been during the past three years, an associate or employee of the current or previous statutory auditor of the company or any of its associated companies;
- he is an executive director or managing director of another company where any of the company's executive directors or managing directors serves as a non-executive director or managing director or has other significant links with the company's executive directors as a result of positions held in other companies or entities;
- he has held more than three non-executive director mandates on the Board;
- he is a close relation of an executive director or managing director or of anyone in the situations described above.

The company publishes a list of the directors it considers to be independent. If any of the independence criteria are not met, the company publicizes the reasons why it still considers this director to be independent.

Whenever an independent director ceases to comply with the independence conditions laid down by the Board, he must notify the Board of this without delay.

Whenever it is legally required to do so, the company applies the criteria of Article 524 of the Belgian Companies Code.

A controlling shareholder means a shareholder who, solely or in concert, directly or indirectly controls the company within the meaning of Article 5 of the Belgian Companies' Code.

#### **4.1.3 Functioning of the Board of Directors**

The Chairman ensures that an agenda is drawn up and that the procedures relating to preparatory work, deliberations, passing resolutions and implementing decisions are properly followed.

The Chairman is responsible for ensuring that the directors receive accurate and timely information before the meetings and, where necessary, between meetings. All directors receive the same information.

The Chairman ensures that all the directors are able to make a knowledgeable and informed contribution to Board discussions and that there is sufficient time for consideration and discussion before decision-making.

The minutes of the meeting sum up the discussions, specify any decisions taken and state any reservations voiced by the directors.

The Board meets with sufficient frequency to exercise its obligations effectively.

The number of meetings of the Board and its committees and the individual attendance rate of the directors are published in the chapter on corporate governance in the annual report.

The Board appoints one of its members as secretary to draft the minutes subject to the approval and signature of the directors present.

#### **4.1.4 Rights and obligations of the directors**

As well as being part of the same collegial body, executive and non-executive directors have a specific and complementary role to play on the Board. When decisions are taken, independence of judgment is required from all directors.

Directors are responsible for ensuring that they obtain detailed and appropriate information and that they peruse this information rigorously in order to acquire and maintain excellent knowledge of the key aspects of the company's business. They should ask for additional information whenever they deem it appropriate.

Executive directors communicate all the necessary information relating to the company's business and finances for the Board to function properly.



Directors may not use the information they receive as director for purposes other than the exercise of their mandate. They are required to handle with discretion the confidential information they receive in this capacity.

Each director organizes his personal and business affairs so as to avoid any direct or indirect conflict of interest with the company. Directors must inform the Board of any conflicts of interest when they arise and abstain from voting on the item concerned in accordance with the relevant provisions of the Belgian Companies Code. Any abstention justified by a conflict of interest is made public in accordance with the relevant provisions of the Belgian Companies Code.

The Board establishes a policy relating to transactions or other contractual relationships between the company, including any of its associated companies, and the directors where these transactions or other contractual relationships are not covered by the legal provisions relating to conflict of interests. This policy is published in the Corporate Governance Charter. Comments on the application of this policy are published in the chapter on corporate governance in the annual report. Transactions between the company and the directors must be concluded under normal market conditions.

#### ***4.1.5 Transactions involving the company's financial securities***

The company takes all necessary steps to conform to Directive 2003/6/EC on insider dealing and market manipulation (market abuse). In this regard, it adheres at the very least to the provisions and guidelines contained in Annex B.

The Board establishes a body of rules covering the obligations relating to conduct and declaration and those relating to transactions involving the company's shares or other financial instruments (hereinafter, the "company's securities") realized for their own account by directors and other designated persons.

The rules specify which details relating to these transactions have to be communicated to the market. They set limits for the execution of transactions involving the company's securities during a given period preceding the publication of its financial results ("blackout periods") or any other periods deemed sensible ("prohibited periods").

The Board of Directors also designates other persons to whom these rules apply.

#### ***4.1.6 Appointment of Directors***

A rigorous and transparent procedure is adopted in order to guarantee effective appointment and re-election of directors.

The Nomination Committee recommends suitable candidates to the Board. For any new director appointment, an assessment is made of the existing and necessary skills, knowledge and experience on the Board and, on the basis of this assessment, a profile is drawn up comprising the role, skills, knowledge and experience required. The Chairman of the Board ensures that, before consideration is given to approving the candidacy of a new director, the Board has received sufficient information on the candidate: his curriculum vitae, the assessment based on the initial interview, a list of the other positions he holds and, where appropriate, the information required for assessing his independence.

Non-executive directors are duly informed of the scope of their rights and obligations and undertake to be sufficient available to exercise their mandate, taking into account the number and extent of their other commitments. They must not consider accepting more than five director mandates in listed companies. Any changes made to their other significant commitments or new commitments outside the company are communicated to the Chairman of the Board when they arise.

The Board then proposes the appointment or re-election to the General Meeting, with a recommendation based on the opinion of the Nomination Committee. The proposal states the proposed term of the mandate, which will not exceed six years. It also contains useful information concerning the candidate's professional qualifications and a list of the positions he already holds. The Board indicates whether the candidate satisfies the independence criteria. Without prejudice to the legal provisions in force, the appointment proposals are communicated at least 24 days before the General Meeting, along with the other items on the agenda.

#### **4.1.7 Training for directors**

The Chairman ensures that new directors receive appropriate orientation training to enable them to contribute to the Board's work at the earliest opportunity.

*The resources required for developing and updating the directors' knowledge and skills must be available.*

#### **4.1.8 Evaluation of the Board of Directors**

At least every three years, and under the guidance of its Chairman, the Board of Directors evaluates its size, its composition, its functioning and its interaction with the Executive Management.

The aim of regular evaluation by the Board of its own effectiveness is to promote continuous improvement in the governance of the company. This evaluation pursues four objectives:

- assessing the functioning of the Board
- verifying whether the important issues are prepared and discussed in an appropriate manner
- assessing the effective contribution of each director through his presence at Board meetings and committee meetings and his constructive engagement in the discussions and the decisions taken.
- verifying whether the current composition of the Board corresponds to what is desirable.

Non-executive directors carry out a regular evaluation of their interaction with the Executive Management, preferably at least once a year. To that end, they meet at least once a year without the presence of CEO or the other executive directors.

A periodic evaluation of the contribution of each director takes with a view to adapting the composition of the Board in order to take account of changes in circumstances. In the event of a re-election, an evaluation is made of the director's contribution and effectiveness on the basis of a predefined and transparent procedure.

Particular attention is given to evaluating the Chairman of the Board and the Chairmen of the committees.

The Board draws lessons from the evaluation of its performance by acknowledging its strengths and remedying its weaknesses. Where appropriate, this involves proposing the appointment of new members, proposing not to re-elect existing members or adopting any measure deemed appropriate to ensure the effective functioning of the Board.

The Board ensures that suitable succession plans exist for the directors. It ensures that, with any director appointment or re-election, executive or non-executive, the balance of skills and experience on the Board is maintained.

## **4.2 Specialized committees within the Board of Directors**

The board of directors establishes specialized committees whose role is to review specific issues and advise the board in this regard. These committees deliver opinions to the board, while decision-making remains a collegial responsibility of the board.

Currently, the board of directors has established the following committees:

- The audit committee;
- The nomination and remuneration committee; and
- The strategic committee.

The board of directors may establish other committees if deemed necessary.

The committees are authorized to seek external professional advice at the company's expense after giving notification of this to the chairman of the board. Each committee may invite to its meetings any person who is not a member of that committee according to the limitations set forth below.

Les comités du conseil d'administration sont habilités à demander des conseils professionnels externes aux frais de la société après en avoir informé le président du conseil d'administration. Chaque comité peut inviter à ses réunions toute personne qui n'en fait pas partie dans les limites indiquées ci-après.

After each of its meetings, each committee reports its findings and recommendations to the Board.

The chairman of the board ensures that the board appoints the members and chairman of each committee. Each committee comprises at least three members. The specific composition of a committee takes into account the needs and qualifications required for the optimal functioning of the committee. The term of the mandate as a committee member may not exceed that of a director mandate.

## **4.3 Audit Committee**

### ***4.3.1 General information***

The board establishes an audit committee that assists it in the exercise of its control supervision responsibilities in the broadest sense of the word, on the understanding that the decision-making remains a collegial responsibility of the board of directors.

The audit committee is composed exclusively of non-executive directors and at least the majority of its members is independent. At least one member has deep accounting and auditing knowledge. The chairman of the board of directors does not chair the audit committee. The CFO is invited to each meeting of the audit committee. The CEO may also participate in each meeting of the audit committee. Members of the audit committee or participant shall not attend a meeting during which their own performance is evaluated and may not be involved in any recommendation in any respect whatsoever.

The board of directors ensures that the audit committee has the sufficient relevant expertise for the effective performance of its role, particularly in accounting, auditing and finance.

The board of directors determines the role of the audit committee. The latter is responsible for the following missions:

- Monitoring of the process of preparing financial information;
- Monitoring of the effectiveness of the company's internal control and risk management systems;

- Monitoring of internal audit and its effectiveness;
- Monitoring of the statutory audit of the annual and consolidated accounts, including the follow-up of the questions and recommendations of the external auditor; and
- Review and monitoring of the external auditor's independence, in particular with regard to the provision of additional services to the company.

The board of directors determines any additional role assigned to the audit committee.

Considering the needs of the company, the audit committee meets at least three times a year. It reviews its operating rules every three years, evaluates its own effectiveness and recommends to the Board of Directors the necessary adjustments.

The audit committee regularly reports to the board of directors on the performance of its duties, in particular when preparing annual accounts, consolidated financial statements and, if applicable, financial statements' summaries intended for publication.

The audit committee reports regularly to the board of directors on the performance of its duties, identifying issues for which it believes action or improvement is needed, and making recommendations for action.

The company ensures that the audits and reports made cover the group as a whole.

## **4.3.2 Skills**

### **4.3.2.1 Financial reporting process**

The audit committee oversees the process of preparing the financial information provided by the company, in particular by ensuring the relevance and consistency of the accounting standards applied by the company and its group. This includes the criteria for account consolidation of the companies in the group.

This review includes the assessment of the accuracy, completeness and consistency of the financial information.

The review covers periodic information before it is published. It is based on an audit program adopted by the committee.

Executive management informs the audit committee of the methods used to recognize significant and unusual transactions when several accounting treatments are possible.

The committee discusses important financial reporting issues with both executive management and the statutory auditor.

### **4.3.2.2 Internal controls and risk management**

At least once a year, the audit committee examines the internal control and risk management systems put in place by the executive management to ensure that the main risks (including risks related to compliance with the law and rules in force) are correctly identified, managed and came to its knowledge.

The audit committee reviews the internal control and risk management comments included in the annual report.

The Audit Committee examines the specific arrangements by which company staff may confidentially voice concerns about potential irregularities in financial reporting or other matters. If necessary, mechanisms are adopted to allow for a proportionate and independent investigation in this regard, as well as to ensure appropriate follow-up and allow staff to directly inform the chair of the audit committee.

#### 4.3.2.3 Internal audit process

The Head of Finance & Administration (who reports to CFO) carries out the function of internal audit. In particular, the audit committee makes recommendations on the selection, appointment, re-election and dismissal of the head of internal audit. It examines the extent to which management takes into account the conclusions and recommendations of the committee.

The audit committee reviews the work program of the internal auditor taking into account the complementarity between the internal audit function and the external audit function. It receives, where appropriate, the internal audit reports or a periodic summary of them.

The audit committee reviews the effectiveness of the internal audit, as appropriate.

#### 4.3.2.4 External audit process

The audit committee makes recommendations to the board of directors on the selection, appointment and reappointment of the statutory auditor and on the conditions of his appointment. In accordance with the Belgian Companies Code, these proposals are subject to the approval of the shareholders, on proposal of the board of directors. The proposal of the audit committee on the appointment of the external auditor is mentioned in the agenda of the general meeting. The same goes for the proposal to renew his mandate.

The external auditor:

- confirms each year in writing to the audit committee its independence from the company;
- communicates annually to the audit committee the additional services provided to the company;
- examines with the audit committee the risks to its independence and the safeguard measures taken to mitigate these risks, recorded by it.

The audit committee monitors the independence of the auditor, in particular with regard to the provisions of the Belgian Company Code and the Royal Decree of 17 December 2008. The audit committee receives a report from the statutory auditor describing all the relations between (i) the independent statutory auditor, (ii) the corporation and its group.

The audit committee also monitors the nature and extent of non-audit services provided. It adopts and applies a formal policy specifying which types of non-audit services are excluded, authorized after examination by the committee or authorized systematically taking into account the specific requirements of the Belgian Companies Code.

Without prejudice to the legal provisions providing for reports or warnings of the statutory auditor to the company's administrative bodies, the external auditor shall report to the audit committee on important issues arising in the exercise of its statutory audit function, particular weaknesses in internal control over the financial reporting process.

The audit committee must be informed of the commissioner's work program. The committee shall receive in due time information on any matter identified by the audit.

The audit committee reviews the effectiveness of the external audit process and reviews the extent to which management considers the management letter addressed to it by the auditor.

The audit committee investigates the issues that led to the resignation of the statutory auditor and makes recommendations regarding any action that may be required.

### **4.3.3 Functioning of the committee**

#### **4.3.3.1 Chairmanship**

The audit committee is chaired by a non-executive director. He is responsible for setting the agenda and convening the meetings of the audit committee. He ensures the smooth conduct of meetings, the serenity of the debates and the clarity of the recommendations made.

The chairman also ensures that the notices and the minutes of the audit committee meetings are communicated in accordance with the rules set out below.

#### **4.3.3.2 Remuneration**

The remuneration of the members of the audit committee is determined by a decision of the general meeting of shareholders.

#### **4.3.3.3 Access to information – Relationship with the statutory auditor and with the internal auditor**

The audit committee has access to all documents of the company, to any staff member, to the statutory auditor and to any information it deems relevant.

At least once a year, the audit committee meets with the statutory auditor and, where appropriate, the internal auditor to exchange views on any matter within the scope of its internal rules and any other problem that may be highlighted. through the audit process.

In addition to their effective working relationship with the management, the internal auditor and the statutory auditor have free access to the board of directors. For this purpose, the audit committee serves as their main interface. The statutory auditor and the head of internal audit may address directly and without limitation to the chairman of the audit committee and the chairman of the board of directors.

#### **4.3.3.4 Notification & agenda**

The committee shall adopt the program of its meetings at the beginning of the year, taking into account the schedule of meetings of the board of directors.

Committee members receive, at least three working days before each meeting, the agenda and documents that are useful or necessary for the preparation or consideration of the items on the agenda.

In case of emergency, the committee may make recommendations by teleconference, telephone meeting or exchange of ordinary or electronic mail. These recommendations are endorsed at the next meeting of the committee.

#### 4.3.3.5 Minutes

The minutes contain:

- the list of member present and excused;
- the agenda;
- a brief summary of the discussions on each item;
- the recommendations made; and
- the various reports and notes in appendix.

The minutes of each meeting of the audit committee shall be submitted to the board of directors and no later than two working days before the next meeting of the board of directors.

### **4.4 Nomination and Compensation Committee**

#### ***4.4.1 General information***

The board of directors has used the opportunity to combine the nomination and compensation committee by establishing a nomination and compensation committee to assist in the exercise of its appointment and compensation tracking responsibilities, with the understanding that that decision-making remains a collegial competence of the board of directors.

The nomination and compensation committee is composed exclusively of non-executive directors. At least a majority of its members are independent. The CEO is invited to attend every meeting of the nomination and compensation committee, except when it comes to his own appointment or compensation. The chair of the board of directors or another non-executive director chairs the committee. Member of the nomination and compensation committee or participant shall not attend a meeting at which his / her own appointment and / or remuneration is assessed and may not be involved in any recommendation in any respect whatsoever. In particular, the chairman of the board of directors may be involved in the discussion but does not chair the nomination and compensation committee when the decision concern the appointment of his successor.

The nomination and compensation committee must have the necessary expertise with regard to the remuneration policy.

The nomination and compensation committee (i) makes recommendations to the board of directors regarding the appointment of the directors, the CEO and other members of executive management and (ii) makes proposals to the board of directors related to the remuneration policy for non-executive directors and executive management.

The nomination and compensation committee reviews proposals made by stakeholders, including management and shareholders. In particular, the CEO is entitled to submit proposals to the nomination and compensation committee, and to be duly consulted by the latter, especially for matters relating to executive directors or executive management.



The nomination and compensation committee meets whenever it deems it necessary for the performance of its duties and at least once a year in relation to the needs of the company. The nomination and compensation committee regularly reviews (at least every two or three years) its operating rules, evaluates its own effectiveness and recommends the necessary adjustments to the board of directors.

The nomination and compensation committee reports regularly to the board of directors.

## **4.4.2 Skills**

### **4.4.2.1 Appointment**

The nomination and compensation committee ensures that the nomination and re-election process is organized objectively and professionally and is responsible for:

- establishing procedures for the appointment of the directors, the CEO and other members of the executive management;
- periodically assessing the size and composition of the board of directors and submitting recommendations to the board of directors for possible amendments;
- giving its opinion on proposals for nominations made by shareholders;
- giving due consideration to matters relating to inheritance; and
- assisting the board of directors in the appointment of members of the executive management on the recommendation of the CEO.

### **4.4.2.2 Compensation**

The nomination and compensation committee makes recommendations on the level of individual remuneration of directors, and that of the executive managers, including the variable compensation ratio and the long-term incentive plans, whether or not linked to the shares, granted in the form of stock options or other financial instruments.

The remuneration policy of the CEO and other members of the executive management as proposed by the CEO is based on the following elements:

- the main contractual conditions, including the main features of the pension plans and the arrangements provided for early termination;
- the key elements used to determine compensation, including:
  - the relative importance of each component of compensation; and
  - benefits in kind.

## **4.4.1 Functioning of the committee**

### **4.4.1.1 Chairmanship**

The nomination and compensation committee is chaired by an independent director. He is responsible for setting the agenda and convening meetings of the nomination and compensation committee. He ensures the smooth conduct of meetings, the serenity of the debates and the clarity of the recommendations made.

The chairman also ensures that the notices and the minutes of the nomination and compensation committee meetings are communicated in accordance with the rules set out below.

#### 4.4.1.2 Remuneration

The remuneration of the members of the audit nomination and compensation is determined by a decision of the general meeting of shareholders.

#### 4.4.1.3 Notification & agenda

The committee shall adopt the program of its meetings at the beginning of the year, taking into account the schedule of meetings of the board of directors.

Committee members receive, at least three working days before each meeting, the agenda and documents that are useful or necessary for the preparation or consideration of the items on the agenda.

In case of emergency, the committee may make recommendations by teleconference, telephone meeting or exchange of ordinary or electronic mail. These recommendations are endorsed at the next meeting of the committee.

#### 4.4.1.4 Minutes

The minutes contain:

- the list of member present and excused;
- the agenda;
- a brief summary of the discussions on each item;
- the recommendations made; and
- the various reports and notes in appendix.

The minutes of each meeting of the nomination and compensation committee shall be submitted to the board of directors and no later than two working days before the next meeting of the board of directors.

### **4.5 Strategic committee**

#### ***4.5.1 General information***

The board of directors has established a strategic committee that assists it in carrying out its responsibilities of strategic issues' monitoring, with the understanding that decision-making remains a collegial responsibility of the board of directors.

The strategic committee is composed of at least the CEO, the chairman of the board of directors and another independent director. Depending on the subject, the chairman of the strategic committee may be asked to invite certain directors with specific skills to contribute to committee meetings. Depending on the subject under consideration, the CEO and the chairman of the strategic committee may invite members of the executive management or other members of staff to present specific points to the committee meetings and / or to share their expertise if the latter is required.

The committee meets when deemed necessary by the CEO and the chairman of the strategic committee, and in any case at least once a year.

## **4.5.2 Skills**

On the basis of proposals of the CEO and the chairman of the strategy committee, the committee will discuss strategic issues, namely those likely to significantly influence the strategy pursued by the company as well as analyze plans for acquisitions and mergers. and divestments of more than EUR 2 million.

### **4.5.1 Functioning of the committee**

#### **4.5.1.1 Chairmanship**

The strategic committee is chaired by a member of the strategic committee. He is responsible for setting the agenda and convening meetings of the nomination and compensation committee. He ensures the smooth conduct of meetings, the serenity of the debates and the clarity of the recommendations made.

The chairman also ensures that the notices and the minutes of the strategic committee meetings are communicated in accordance with the rules set out below.

#### **4.5.1.2 Remuneration**

The remuneration of the members of the audit strategic is determined by a decision of the general meeting of shareholders.

#### **4.5.1.3 Notification & agenda**

The committee shall adopt the program of its meetings at the beginning of the year, taking into account the schedule of meetings of the board of directors.

Committee members receive, at least three working days before each meeting, the agenda and documents that are useful or necessary for the preparation or consideration of the items on the agenda.

In case of emergency, the committee may make recommendations by teleconference, telephone meeting or exchange of ordinary or electronic mail. These recommendations are endorsed at the next meeting of the committee.

#### **4.5.1.4 Minutes**

The minutes contain:

- the list of member present and excused;
- the agenda;
- a brief summary of the discussions on each item;
- the recommendations made; and
- the various reports and notes in appendix.

The minutes of each meeting of the strategic committee shall be submitted to the board of directors and no later than two working days before the next meeting of the board of directors.

## 5 The Executive Management

### 5.1 General Points

The Executive Management is responsible for the management of the company and sets up internal controls (systems for identifying, assessing, managing and monitoring financial and other risks) without prejudice to the monitoring role of the Board. It is responsible for the exhaustive, timely, reliable and accurate preparation of the financial statements in accordance with the accounting standards and the company's policies, and submits to the Board an objective and comprehensible assessment of the company's financial situation. It provides the Board on a timely basis with all the information needed for the execution of its obligations, and reports to the Board on the exercise of its responsibilities.

The Board entrusts the executive management to the Executive Committee, with all necessary powers to enable it to assume its responsibilities and obligations. The Executive Committee must have sufficient scope to propose and set up the company strategy, taking into account its values, its risk appetite and its key policies.

The Board determines, in close cooperation with the CEO, the Terms of Reference for the Executive Committee, including its responsibilities, its obligations, its powers, its composition and its mode of operation. These Terms of Reference are published in the Corporate Governance Charter.

As of 30 June 2010, the Executive Committee comprises the two Managing Directors and the CFO. A list of the members of the Executive Committee is published in the chapter on corporate governance in the annual report.

The "Broadcast Executive Committee" includes the people in charge of the product development strategy of the group. Its composition is included in the Corporate Governance chapter of the annual report.

The Nomination and Remuneration Committee assists the Board in appointing the executive managers and planning their succession, unless decided otherwise by the Board.

Clear procedures exist for:

- the submitting of proposals by the Executive Committee of decisions to be taken by the Board
- the decision-taking by the Executive Committee
- the reporting to the Board on the key decisions taken by the Executive Committee.

These procedures are reviewed and adapted if the effective exercise of the respective powers and obligations of the Board and the Executive Committee require it.

The company's powers of representation, exercised by an executive manager alone or jointly, and their scope and limitations, are clearly defined taking into account the way in which the Board has entrusted the management to the Executive Committee and the applicable provisions of the Belgian Companies Code. All persons concerned must have detailed knowledge of the extent of these powers.

The provisions relating to transactions between the company and the directors, and those relating to insider dealings and market manipulations, also apply to transactions between the company and the other members of the Executive Committee.

## **5.2 Remuneration of the executive directors and managers**

The level of remuneration is sufficient to attract, retain and motivate executive directors and managers who have the profile defined by the Board.

At least once a year, the Nomination and Remuneration Committee discusses, with the CEO, the functioning and the performance of the Executive Management. The CEO is not present at the discussion of his own evaluation. The evaluation criteria are clearly defined.

## **5.3 Remuneration of the non-executive directors**

The remuneration of the non-executive directors is in line with their responsibilities and the time devoted to their role.

The non-executive directors do not receive performance-related remunerations, such as bonuses or long-term incentive packages, or benefits in kind or benefits linked to pension plans. It is possible that they receive warrants, but it has never been the case until today.

*In accordance with Belgian law, the mandate of any non-executive director may be brought to an end "ad nutum" (at any time) with no compensation of any sort.*

In the chapter on corporate governance in the annual report, the company publishes the total amount of the remunerations and other benefits granted directly or indirectly to the non-executive directors by the company or by any other entity belonging to the same group.

## **5.4 Remuneration of the executive managers**

The Board determines the remuneration policy for the executive managers and lays down formal and transparent procedures concerning their remuneration. No individual may be involved in the decision-taking concerning his own remuneration.

The level and the structure of the compensation packages of the executive managers are such that the company is able to recruit, motivate and build the loyalty of qualified and competent professionals taking into account the nature and extent of their individual responsibilities.

If a member of the Executive Management is also an executive director, his compensation package is calculated taking into account what he receives as a director.

To ensure that the interests of the executive managers are in line with the interests of the company and its shareholders, an appropriate portion of their compensation package is structured so as to be linked to a manager's individual performance and the company's performance. Given that the members of the Executive Committee are shareholders of the company, the link between company performance and remuneration may remain limited.

Where executive managers are likely to receive a bonus, this is determined on the basis of meaningful and objective performance criteria aimed at improving the value of the company.

Procedures for assessing and reviewing the performance of the Executive Management are established.

Plans providing for the remuneration of the executive managers through the allocation of shares, share options or any other right to acquire shares are subject to the prior approval of the shareholders through a resolution passed at the Annual General Meeting. This approval relates to the plan itself and not to the individual granting of the share-related rights stipulated by this plan.

The Belgian Code of Corporate Governance recommends that, in principle, shares may not be allocated permanently and options may not be exercised less than three years after they are allocated. Having regard to the company's remuneration policy, a legally compliant profit-sharing scheme can be decided by the Board: this profit-sharing scheme makes it possible to allocate, free of charge, company shares that enjoy a favorable tax regime and that are acquired permanently when they are allocated.

The commitments made in terms of early retirement payments must be subject to rigorous review. The objective is to avoid rewarding unsatisfactory performances.

## **5.5 Remuneration of the executive directors**

The provisions relating to the compensation packages of the non-executive directors apply to those of the executive directors in their director capacity.

*Although the mandate of any executive in his director capacity can be brought to an end "ad nutum", compensation may be paid at the end of his mission in his executive manager capacity, based on the length of time he has exercised his executive role, his age and the level of his last annual remuneration.*

The provisions relating to the compensation packages of the executive managers apply to those of the executive directors in their executive capacity.

## **5.6 Publications**

In the chapter on corporate governance in the annual report, the company publishes the total amount of the remunerations and other benefits granted directly or indirectly to the Broadcast Executive Committee by the company or by any other entity belonging to the same group.

## 6 Shareholders' rights and participation

The company ensures equal treatment of shareholders. It ensures that all the resources and information enabling the shareholders to exercise their rights are available.

### 6.1 Shareholding structure

The shareholding is made up, to the best of the company's knowledge, of primarily institutional investors and to a lesser degree individual investors.

All the shares have the same rights.

According to the most recent declarations (30 June 2010), the members of the Board hold 2,591,701 shares, in other words 19.0 % of the voting rights at present.

There is a single shareholder's agreement known to the company between the 3 founding shareholders. There are no cross-holdings.

### 6.2 Information given to shareholders

The company devotes a distinct section of its website to describing the participation and voting rights of shareholders at the General Meeting. This section also includes a schedule of the periodic information and the General Meetings.

The Articles of Association and the Corporate Governance Charter are available at any time.

The company publishes on its website its shareholding structure and its control structure as well as any cross-holding greater than 3% of the shares or of the voting rights in so far as it is aware of this and as soon as it has received information in this regard.

In the chapter on corporate governance in the annual report, the company publishes the identity of the principle shareholders with a description of their voting rights and their special control rights and, if they act in concert, a description of the key elements of the existing shareholder agreements. The company also publishes the other direct and indirect relationships between itself and its principle shareholders.

### 6.3 General Meetings

The General Meeting serves as a means of communicating with the shareholders and encouraging their participation. Shareholders who are not able to be present must be able to vote in their absence, by proxy for example.

The company makes all the necessary information available through electronic channels before the General Meetings.

When General Meetings are convened, the company communicates adequate explanations concerning the items on the agenda and the resolutions proposed by the Board. In addition to the formalities required by the Belgian Companies Code in this regard, the company uses its website to publish any relevant information and documentation on the exercise of the shareholders' voting right.

According to the article 22 of the bylaws, the proxies who will not be signed by the final economic owner of the shares will not be accepted. Proxies signed by a custody or sub-custody will have to be accompanied by another duly signed proxy by the final economic owner, which will allow him to exercise its rights.

The threshold beyond which a shareholder is able to submit proposals to the General Meeting is 5% of the capital.

The Chairman takes the necessary steps to ensure that responses are given to pertinent questions submitted by the shareholders. At the General Meeting, the directors answer questions relating to the annual report and the items on the agenda.

Under the leadership of the Chairman of the Board, the directors answer these questions in so far as the replies do not run the risk of seriously damaging the company, its shareholders or the staff of this company.

The company publishes the results of the votes and the minutes of the General Meeting on its website as soon as possible after the General Meeting.

Where there are one or more controlling shareholders, the Board of Directors ensures that he (they) use his (their) position judiciously and that he (they) respects (respect) the rights and interests of the minority shareholders.

## **6.4 Investors**

The Board encourages the investors, particularly the institutional investors, to play an important role in the careful evaluation of the company's corporate governance. The Board ensures that the investors, institutional or otherwise, weigh up all the significant factors to which their attention is drawn.

The Board ensures that the investors give careful consideration to the explanations it gives them concerning the areas where the company does not apply the recommendations of the Corporate Governance Code, so that they may form a judgment in full knowledge of the facts. If the investors do not accept the position adopted by the company, the Board enters into dialogue with them, pointing out the specific features of the company, in particular its size, the complexity of its activities and the nature of the risks and challenges it faces.



## 7 Publication of the Corporate Governance Charter

This Corporate Governance Charter is available on the company website.

The chapter on corporate governance in the annual report includes, at a minimum:

- a list of the members of the Board indicating which of them are the independent directors
- a list of the members of the Board committees
- a presentation of each director, including a justification if he is considered to be independent even if he does not satisfy one or more of the criteria stipulated by the Code
- information on directors who no longer satisfy the independence conditions
- an activity report on the meetings of the Board and its committees, including the number of meetings and the overall attendance rate of the directors
- comments on the application of the policy established by the Board for the transactions and other contractual relationships – between the company, including the associated companies, and the executive directors and managers – which are not covered by the legal provisions relating to conflicts of interest
- a list of the members of the Executive Committee and of the Broadcast Executive Committee
- the total amount of the remunerations and other benefits granted directly or indirectly to the non-executive directors by the company or by any other entity belonging to the same group
- the total amount of the remunerations and other benefits granted directly or indirectly to the Broadcast Executive Committee by the company or any other entity belonging to the same group; this information is broken down as follows:
  - o basic remuneration
  - o variable remuneration: any bonus relating to the financial year covered by the annual report
  - o the other components of the compensation package, such as pension cost, insurance cover, monetary value of other benefits in kind with explanations and, where appropriate, the total amounts of the principal components
- if certain members of the Executive Committee are also members of the Board, comprehensive and detailed information on the compensation packages they receive in this capacity
- for the Executive Committee, the total number and the key features of the shares, share options or any other rights to acquire shares granted during the financial year
- the principal contractual provisions relating to the hiring and departure of the members of the Executive Committee
- where appropriate, the provisions of the Code that have been waived during the financial year and an explanation of the reasons for these waivers.

## 8 Annex 1 – Terms of Reference of the Board of Directors

Adopted by the Board of Directors on 8 October 2001

Amended by the Board of Directors on 19 December 2001

Amended by the Board of Directors on 14 December 2006

Amended by the Board of Directors on 17 June 2010

1

*Extract of the coordinated Articles of Association*

2

*Particular provisions relating to the organization and functioning of the Board of Directors*

3

*Members of the Board of Directors and the various Committees*

4

*Charter of the Board of Directors*

## 8.1 Extract of the Articles of Association

### TITLE THREE. ADMINISTRATION, DIRECTION, CONTROL.

#### Article eleven.

The company is administered by a board composed of at least three (3) members, appointed for a renewable term of six (6) years at the most by the General Meeting: they may be dismissed at any time by the General Meeting.

The Board of Directors elects a Chairman from its members. It may also choose a Deputy Chairman. In the absence of the Chairman, his duties are assumed by the Deputy Chairman or, failing this, the oldest director.

#### Article twelve.

If a director's place becomes vacant following death, resignation or for another reason, the remaining directors have the right to fill it temporarily.

In this case, a permanent election will be made by the General Meeting at its next meeting.

The director appointed under the above conditions will complete the term of office of the director he replaces.

#### Article thirteen.

The Board of Directors meets whenever the interest of the company requires it or when convened by its Chairman, a Managing Director or two directors.

Notices of meeting are sent to each director by letter missive at least ten days before the date of the meeting. The notice contains the agenda. Where a decision needs to be taken urgently and, in general, if the members of the Board do not object, the conditions below concerning the notice period and form may be waived.

The meetings take place at the registered office or at the place indicated in the notices of meeting.

#### Article fourteen.

The Board of Directors may only deliberate if the majority of its members is present or represented. If this condition is not met, the Board of Directors must be called to a new meeting. This new meeting may deliberate legitimately at that time, irrespective of the number of directors present or represented.

Decisions are taken by a majority of votes. In the event of a tied vote, the Chairman or his replacement has the casting vote.

Any director may participate in the deliberations of the Board by telephone conference or any other technical means enabling effective discussion between the members of the Board: any director participating in the deliberations in this way will be deemed present.

In situations duly justified as emergencies or in the company interest, the Board may take decisions by unanimous consent of the directors, given in writing. However, this procedure may not be used for closure of the annual accounts or for authorisation of the authorised capital.

Any director may give one of his colleagues, in writing, by telegram, telex, fax or email, accompanied by an electronic signature in accordance with Article 1322 of the Civil Code or by any other means of communication supported by a written document, authority to represent him at a

particular meeting of the Board and to vote at that meeting in his place. In this case, the director giving the authority is deemed to be present.

If a legal entity is appointed director, it must appoint from its associates, managers, directors or workers a permanent representative responsible for performing this task in the name of and on behalf of this legal entity, in accordance with the Belgian Companies Code.

In this regard, third parties may not demand justification of the powers, since the mere indication of the representative or delegate capacity of the legal entity is sufficient.

The minutes of the Board meeting, and the extracts of the minutes to be provided in legal proceedings or elsewhere, are signed by the Chairman or by two (2) directors.

Delegations of authority are attached to the minutes.

#### Article fifteen - Remuneration.

Unless decided otherwise by the General Meeting, the mandate of director is unpaid.

#### Article sixteen.

The Board of Directors has the power to perform all actions contributing to the achievement of the company purpose, with the exception of those reserved by current legislation for the General Meeting.

#### Article seventeen – Delegation of day-to-day management.

The Board of Directors may confer the day-to-day management of the company, together with representation of the company with regard to this management, to one or more persons.

It appoints and dismisses the persons to whom it has delegated these management powers, chosen from within its number or from outside the Board, and sets their pay and determines their attributions.

The Board of Directors and the persons to whom day-to-day management has been delegated may, with regard to this management, also confer special and specific powers on one or more persons of their choice.

#### Article eighteen - Representation.

The company is represented in actions, including those involving a public servant or ministerial officer or in legal proceedings:

- either by two directors acting jointly;
- or, within the limits of day-to-day management as defined in Article 17 of these Articles of Association, by the person or persons to whom powers have been delegated for that management;
- in addition, it may legitimately be committed by special agents within the limits of their powers.

#### Article nineteen.

The control of the company is carried out in accordance with the legal provisions.

## **8.2 Particular provisions relating to the organization and functioning of the Board of Directors**

### **8.2.1 Mission**

The Board of Directors is the company's supreme management body. In addition to its administration duty, it must exercise complete and effective control over the company. To that end, it must meet regularly and be in a position to control the management.

Without prejudice to its legal duties, the Board establishes the strategic objectives and the general management plan based on proposals from the management, appoints the management, approves the resources to be implemented to achieve these objectives, ensures that the company's management and control program is implemented and reports to the shareholders.

### **8.2.2 Composition**

The Board is made up of:

- executive directors, participating in the day-to-day management of the company
- non-executive directors selected for their expertise and their experience.

Of the non-executive directors, at least half must be independent, in other words free from any business, close family or other relationship with the company, its controlling shareholders or the management of either that creates a conflict of interest such as to affect the director's independent judgment.

### **8.2.3 Capacity of the directors**

Directors must provide a Curriculum Vitae prior to their appointment to the Board. They must not have been convicted of any violation of the laws or regulations governing business life, companies, trade, corporate relations or relations between persons.

A director must not be aged under thirty or over seventy years.

Directors must be fluent in French (official language of the company) and English, unless unanimously agreed otherwise by the directors already in office.

A director must not have direct or indirect relations with a direct or indirect competitor of the company.

Each director must sign the Corporate Governance Charter as per the attached template.

### **8.2.4 Chairmanship**

The Chairman is responsible for establishing the agenda and convening the meetings of the Board. He ensures that the meetings are conducted properly, that discussions take place calmly and that the decisions taken are clear.

### **8.2.5 General secretariat**

The Chairman appoints a Secretary, chosen from the executive directors, who is responsible for drafting the notices of meetings and the minutes of the Board meetings and the General Meetings, and for keeping the company registers.

### **8.2.6 Remuneration**

- Remuneration of the mandate of a director is EUR 4,000 per year
- EUR 750 (resp. EUR 1,000) per attendance to a Board meeting for each non-Executive Director (resp. the non-Executive Chairman of the Board)
- EUR 750 (resp. EUR 1,000) per attendance to a Committee (Audit or Remuneration) meeting for each non-Executive Director (resp. the non-Executive Chairman of the Committee)

### **8.2.7 Meetings**

The Board meets at least four times a year, at regular intervals.

The Board determines the schedule for its meetings at the beginning of the year and the minutes of each meeting contain the date of the following meeting.

The directors receive, at least three working days before each meeting, the agenda and the relevant or necessary documents for preparing or reviewing the items on the agenda.

In an emergency, the Board may make decisions by teleconference, telephone meeting or exchange of ordinary or electronic mail. These decisions are endorsed at the first meeting of the Board thereafter.

### **8.2.8 Deliberations**

The Board deliberates collegially, in a spirit of permanently seeking consensus.

Decisions are taken by simple majority. In the event of a tied vote, the Chairman has the casting vote

### **8.2.9 Minutes**

The minutes contain:

- a list of the directors present and those who sent apologies
- the agenda
- a brief summary of the deliberations on each item discussed
- the decisions taken
- any reservations voiced by directors to any decisions
- the date of the next meeting.

### **8.2.10 Powers of the Board of Directors**

The Board:

- determines, on the proposal of the Executive Committee:
  - o the company strategy
  - o acquisitions and transfers of holdings
  - o significant investments and disinvestments
- determines, on the proposal of the Executive Committee and on the opinion of the Audit Committee:
  - o the rules for evaluating the items on the balance sheet and the profit and loss account
  - o the company's annual budgets
  - o the quarterly and half-yearly accounts
  - o the annual accounts submitted for the approval of the shareholders
  - o the quarterly, half-yearly and annual communications concerning the financial statements
- appoints the members of the various Committees
- appoints the Managing Directors and controls the delegation of these powers
- determines, on the proposal of the Executive Committee and on the opinion of the Audit Committee:
  - o the remunerations, direct and indirect benefits and any contracts for the members of the Executive Committee
  - o the remunerations, direct and indirect benefits and any contracts for the members of the company management team
- takes advice from any third party if it deems it relevant or necessary
- convenes the General Meetings.

### **8.2.11 Executive Committee**

The Executive Committee:

- provides collegial management of the group
- prepares, for the approval of the Board:
  - o the company strategy
  - o acquisitions and transfers of holdings
  - o significant investments and disinvestments
  - o the rules for evaluating the items on the balance sheet and the profit and loss account
  - o the company's annual budgets
  - o the quarterly and half-yearly accounts
  - o the annual accounts submitted for the approval of the shareholders
  - o the quarterly, half-yearly and annual communications concerning the financial statements
- implements the company strategy determined by the Board
- implements the acquisitions, transfers, investments and disinvestments determined by the Board
- appoints the members of the company management team
- reports regularly to the Board on the progress of business.

The Board deliberates collegially, in a spirit of permanently seeking consensus. Decisions are taken by simple majority.

### **8.2.12 Managing Directors**

The Managing Directors:

- individually represent and bind the company towards third parties: staff, customers, partners, suppliers, banks, etc.
- individually represent the company in legal proceedings
- are individually spokespersons for the company with regard to the press and the financial market
- individually carry out all the legal actions required for the implementation of the decisions made by the Board or, within the limits of their powers, by the various Committees.

The Managing Directors ensure that they confer constantly in order to guarantee the maximum cohesion and coherence in their actions, their words and the image of the company they project, both internally and externally.

### **8.2.13 Audit Committee**

The functioning of the Audit Committee follows the rules of the Royal Decree of 2008, notably:

- gives an opinion to the Board on the following matters
  - o the rules for evaluating the items on the balance sheet and the profit and loss account
  - o the company's annual budgets
  - o the quarterly and half-yearly accounts
  - o the annual accounts submitted for the approval of the shareholders
  - o the quarterly, half-yearly and annual communications concerning the financial statements
- controls the quality of the systems and issues recommendations to the Board regarding internal control and managing the company's risks
- controls the definition, proper execution and fair remuneration of the external audit mission entrusted to the statutory (external) auditors and submits opinions to the Board
- takes advice from any third party if deems it appropriate or necessary
- gives an opinion to the Board concerning:
  - o potential conflicts of interest between the directors and members of the management team and the company
  - o financial or other important relationships between the directors, the shareholders and the company.

The Audit Committee has access to:

- all company documents
- any staff member
- the statutory auditor
- any information it may deem relevant.



The Committee hears the reports it requests on the subjects within its remit that are produced for it by the internal and statutory auditors or by any other person who is required to do so. It submits opinions and recommendations to the Board.

The Audit Committee deliberates collegially, in a spirit of permanently seeking consensus. Decisions are taken by simple majority.

### **8.2.14 Nomination and Remuneration Committee**

The Nomination and Remuneration Committee:

- organizes the process for appointing new directors and re-electing existing directors
- organizes the process for evaluating the Board
- gives the Board an opinion on the following items proposed by the Executive Committee:
  - o the remunerations, direct and indirect benefits and any contracts for members of the Executive Committee
  - o the remunerations, direct and indirect benefits and any contracts for members of the company management team
- controls the company organization chart and the clarity of the hierarchical structures and the decision-making channels
- takes advice from any third party if it deems it appropriate or necessary.

The members of the management team are those persons, whatever their company status, who report directly to the Executive Committee, as managers of a budgetary entity, a business unit or a functional or operational department.

The Remuneration Committee deliberates collegially, in a spirit of permanently seeking consensus. Decisions are taken by simple majority. In the case of a tied vote, the Chairman has the casting vote.

## **8.3 Members of the Board and the various Committees**

See [www.evs.com](http://www.evs.com)

## **8.4 Board Charter**

I the undersigned ....., born on ....., of ..... nationality and residing at ....., hereby

Declare that I accept the director mandate entrusted to me by the General Meeting of EVS SA and that I intend to exercise it with seriousness, receptiveness, loyalty, sincerity, independence, objectivity and in accordance with business ethics

Declare that I undertake to be present at at least three Board meetings per year

Declare that I have perused the company's Articles of Association and the Terms of Reference of the Board of Directors, and undertake to comply with these at all times

Declare that I am aware of the general and particular responsibilities that are imposed on company directors, and assume these

Declare that I have sufficient knowledge of the company, its activities and its products to exercise my mandate under normal conditions

Declare that I have no direct or indirect link with any direct or indirect competitor of the company and will avoid creating any link of this nature which would necessarily be incompatible with the honest exercise of my mandate

Declare that I have not been convicted of any violation of the laws or regulations governing business life, companies, trade, corporate relations and relations between persons

Declare that I am sufficiently fluent in French to be able to participate usefully in the meetings, discussions and deliberations of the Board

Declare that the Curriculum Vitae I attach hereto is genuine, accurate and complete

Declare that I am aware of the obligation imposed on the directors to mention, prior to any deliberation in the Board meetings, any conflict of interest, even potential, with the company and that I intend to comply with this obligation

Declare that I am aware of the confidentiality of the agendas, discussions and decisions of the Board and that I intend to respect this scrupulously.

Done in .....

On .....

(signature preceded by the words "Read, approved and certified true")

## 9 Annex 4 – Terms of Reference of the Executive Committee

Adopted by the Board of Directors on 14 December 2006

Amended by the Board of Directors on 17 June 2010

1

*Extract of the coordinated Articles of Association*

2

*Extract of the Terms of Reference of the Board of Directors*

3

*Particular provisions relating to the organization and functioning of the Executive Committee*

4

*Particular provisions relating to the Managing Directors*

*Charter of the Executive Committee*

6

*Declaration of a Managing Director*

## **9.1 Extract of the coordinated Articles of Association**

### Article seventeen – Delegation of day-to-day management.

The Board of Directors may confer the day-to-day management of the company, together with representation of the company with regard to this management, to one or more persons.

It appoints and dismisses the persons to whom it has delegated these management powers, chosen from within its number or from outside the Board, and sets their pay and determines their attributions.

The Board of Directors and the persons to whom day-to-day management has been delegated may, with regard to this management, also confer special and specific powers on one or more persons of their choice.

### Article eighteen - Representation.

The company is represented in actions, including those involving a public servant or ministerial officer or in legal proceedings:

- either by two directors acting jointly;
- or, within the limits of day-to-day management as defined in Article 17 of these Articles of Association, by the person or persons to whom powers have been delegated for that management;
- in addition, it may legitimately be committed by special agents within the limits of their powers.

## **9.2 Extract of the Terms of Reference of the Board of Directors**

### **9.2.1 Executive Committee**

The Executive Committee:

- provides collegial management of the group
- prepares, for the approval of the Board:
  - o the company strategy
  - o acquisitions and transfers of holdings
  - o significant investments and disinvestments
  - o the rules for evaluating the items on the balance sheet and the profit and loss account
  - o the company's annual budgets
  - o the quarterly and half-yearly accounts
  - o the annual accounts submitted for the approval of the shareholders
  - o the quarterly, half-yearly and annual communications concerning the financial statements
- implements the company strategy determined by the Board
- implements the acquisitions, transfers, investments and disinvestments determined by the Board
- appoints the members of the company management team
- reports regularly to the Board on the progress of business.

The Board deliberates collegially, in a spirit of permanently seeking consensus. Decisions are taken by simple majority. In the event of a tied vote, the Chairman has the casting vote.

## **9.2.2 Managing Directors**

The Managing Directors:

- individually represent and bind the company towards third parties: staff, customers, partners, suppliers, banks, etc.
- individually represent the company in legal proceedings
- are individually spokespersons for the company with regard to the press and the financial market
- individually carry out all the legal actions required for the implementation of the decisions made by the Board or, within the limits of their powers, by the various Committees.

The Managing Directors ensure that they confer constantly to ensure the maximum cohesion and coherence in their actions, their words and the image of the company they project, both internally and externally.

## **9.3 Particular provisions relating to the organization and functioning of the Executive Committee**

### **9.3.1 Composition**

The Executive Committee is composed of the two Managing Directors and the Chief Financial Officer.

### **9.3.2 Chairmanship**

The Executive Committee is chaired by a Managing Director. He is responsible for drawing up the agenda and convening the meetings of the Executive Committee. He ensures that the meetings are conducted properly, that discussions take place calmly and that the decisions taken are clear.

The Chairman is also responsible for drafting the meeting notices and the minutes of the Executive Committee meetings.

### **9.3.3 Remuneration**

The members of the Executive Committee do not receive, in addition to their contractual remuneration, any fixed remuneration for this additional function, or any allowance paid by the company or any attendance allowance. They may receive a variable remuneration, based on the group's results, after prior approval by the Board of Directors on the opinion of the Nomination and Remuneration Committee.

### **9.3.4 Meetings**

The Executive Committee meets at regular intervals, when necessary.

The Committee determines the schedule for its meetings at the beginning of the year, taking into account the schedule of meetings of the Board of Directors, and the minutes of each meeting contain the date of the following meeting.

The members of the Committee receive, at least three working days before each meeting, the agenda and the relevant or necessary documents for preparing or reviewing the items on the agenda.

In an emergency, the Board may make decisions by teleconference, telephone meeting or exchange of ordinary or electronic mail. These decisions are endorsed at the first meeting of the Committee thereafter.

### **9.3.5 Deliberations**

The Executive Committee deliberates collegially, in a spirit of permanently seeking consensus.

Decisions are taken by simple majority.

### **9.3.6 Minutes**

The minutes contain:

- a list of the members present and those who sent apologies
- the agenda
- a brief summary of the deliberations on each item discussed
- the decisions taken
- any reservations voiced by members to any decisions
- the date of the next meeting
- the various reports and notes appended.

### **9.3.7 General functioning**

The Committee may also invite any person, internal or external, who may be able to provide clarification on the items it is examining or with which it needs to be familiar.

The Chief Financial Officer assists the Committee in its work as regards all budgetary aspects and all matters connected with the company's accounts.

## **9.4 Particular provisions relating to the Managing Directors**

### **9.4.1 Powers**

The Board of Directors directly appoints one or more Managing Directors whose signature binds the company towards any third party, including in legal proceedings.

Where there is more than one Managing Director, each of them individually will have unlimited company signatory powers, unless they voluntarily and jointly decide to fix certain limits.

### **9.4.2 Remuneration**

Having regard to the specific responsibilities they assume, the Managing Directors may receive, in addition to their contractual remuneration, a fixed remuneration for this additional function, after

prior approval by the Board of Directors on the opinion of the Nomination and Remuneration Committee.

### **9.5 Charter of the Executive Committee**

I the undersigned ....., born on ....., of ..... nationality and residing at ....., hereby

Declare that I accept the role on the Executive Committee entrusted to me by EVS SA

Declare that I have perused the Terms of Reference of the Executive Committee and that I undertake to comply with these at all times

Declare that I am aware of the confidentiality of the information that will be brought to my attention, and that I intend to respect this scrupulously, except as regards the Board of Directors.

Done in .....

On .....

(signature preceded by the words “Read, approved and certified true”)

### **9.6 Declaration of the Managing Directors**

I the undersigned ....., born on ....., of ..... nationality and residing at ....., hereby

Declare that I accept the function of Managing Director entrusted to me by EVS SA

Declare that I have perused the Terms of Reference of the Executive Committee and undertake to comply with these at all times

Declare that I am aware of the importance of my signature in that it binds the group towards any third party, including in legal proceedings

Declare that I am aware of the confidentiality of the information that will be brought to my attention, and that I intend to respect this scrupulously, except as regards the Board of Directors.

Done in .....

On .....

(signature preceded by the words “Read, approved and certified true”)

## 10 Annex 5 – Code of Business Conduct and Ethics

Our company has a long-standing commitment to conducting business in accordance with the highest ethical standards and in conformity with the law wherever we operate. Upholding this commitment is therefore crucial for our continued success.

This Code of Business Conduct and Ethics (referred to herein as the Code) summarizes a number of EVS policies that must guide our actions. We also expect our affiliates, franchisees and those outside consultants that work on our behalf – such as business, financial, technical or legal advisors – to be guided by these standards.

This Code does not replace any other published rules or policies of EVS, including other work rules and personal conduct policies. While this Code provides guidance and explains what is considered unacceptable behavior, it does not – and cannot – cover every situation where choices and decisions must be made. Do not hesitate to ask your local management for clarification or advice before making a decision about which you are uncertain. In the majority of cases, good common sense is our best guide.

Adhering to this Code is imperative. As you review each policy in this Code, please keep in mind that it is not simply the letter of the policy but also the spirit of the policy that we must all embrace.

Our reputation and integrity depend on each of us assuming a personal responsibility for our business conduct. Thank you for your commitment!

### Important

This Code is applicable as of 1 January 2007 to all EVS staff.

These policies, guidelines and procedures are subject to unilateral change by EVS at any time. In adopting and publishing these policies and guidelines, EVS expressly states that (1) in some respects, its policies and guidelines exceed the requirements of law and industry practice, (2) nothing contained in EVS's policies and guidelines should be construed or applied as a binding interpretation or definition of the law or industry practice, and (3) any act by an EVS employee or agent in violation of the law or of EVS's policies is beyond the scope of such person's duty, authority and responsibility and is not an act by or on behalf of EVS.

This Code is neither an employment contract nor an amendment to an employment contract. EVS does not create any contractual or legal rights or guarantees by issuing these policies.



## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **10.1 Introduction**

The policies in this Code apply to all of the directors, officers and other employees of EVS, or all people signing a contract to provide services or working through an interim agency, and all its subsidiaries (referred to in this Code as the “company” or “EVS”) worldwide. Officers and other employees of the company, or all people signing a contract to provide services or working through an interim agency, are referred to in this Code collectively as associates. For certain groups of associates, the principles contained in this Code may be incorporated into a local statement of EVS policies, guidelines, work rules or related procedures.

The Code is not intended to conflict with any local law applicable in the country where you work. If a local law conflicts with a policy in this Code, you must comply with the law. However, if a local custom or practice conflicts with a policy in this Code, you must comply with the Code. Any such conflicts should be reported to your hierarchy.

The Code is not intended to cover all EVS policies or all applicable laws. EVS may, within your business, region or country, have policies and practices that require more of you than is required by this Code, and the same may be true of local law; in all of those instances, you must follow the stricter policy, practice, or law. Think of this Code as a minimum requirement, which must always be followed. If the applicable law conflicts with the Code but could permit different alternatives, you must choose the one most closely aligned with the Code requirement. If in doubt, contact your local management or the company’s legal department.

### **10.2 Work environment**

#### **10.2.1      *Respect for the individual***

All associates want and deserve a workplace where they feel respected and appreciated. Our policies are designed to ensure that associates are treated fairly and with respect, and that associates treat others with that same respect. EVS aims to provide challenging, meaningful, and rewarding opportunities for personal and professional growth to all associates without regard to gender, race, ethnicity, religion, sexual orientation, age, pregnancy, national origin, civil status, disability or any other legally protected status. This policy applies to all phases of the employment relationship, including promotions, demotions, transfers, layoffs or terminations, compensation, and selection for training and related programs. All associates are expected to adhere to applicable laws and company policies relating to equal opportunity and non-discrimination.

#### **10.2.2      *Positive workplace***

All associates are expected to conduct themselves in a manner appropriate for their work environment, and are also expected to be sensitive to and respectful of the concerns, values and preferences of others. With this in mind, there are certain behaviors that will not be tolerated. Unwelcome sexual advances, harassment, threats of violence and other inappropriate personal conduct are prohibited. Harassment, including sexual harassment, may take many forms, from overt advances to demeaning comments, jokes, language and gestures. Sexual harassment may also occur when someone’s inappropriate words, actions or behavior create a hostile work environment. Associates are expected to cooperate fully in the company’s investigation of

complaints. Retaliation against anyone who lodges a complaint or participates in an investigation will not be tolerated.

### **10.2.3 Health, Safety and Environment**

We are committed to providing a safe and healthy work environment and to supporting environmental stewardship wherever we do business. Associates must understand and comply with the applicable safety, health, environmental, and employment laws and regulations that affect our business activities, as well as related EVS and local company policies and procedures. We also expect contractors, suppliers, franchisees and others who work with us to follow these same laws and regulations. Since environmental, health and safety laws are complex, subject to frequent changes, and vary from country to country, you should obtain the advice of your local management whenever there is any doubt as to the lawfulness of any action or inaction.

## **10.3 Relationships**

### **10.3.1 Conflicts of interest**

The company respects the rights of its associates and directors to manage their personal affairs and investments and does not wish to intrude upon their personal lives. At the same time, associates and directors must act in the best interests of the company and avoid situations that present a potential or actual conflict between their personal interests and the interests of the company.

It is not practical to list every activity or interest that might represent a conflict of interest. However, for example, a conflict, or an appearance of a conflict, may arise by accepting an inappropriate gift (see “Relationships with the business community” below) from a current or potential customer, supplier or competitor; owning a significant financial interest in, or serving in a business capacity with, an outside enterprise that does or wishes to do business with, or is a competitor of, the company; serving as an intermediary for the benefit of a third party in transactions involving the company; using confidential company information or other corporate assets for personal profit; conducting business for another enterprise during our normal working hours; or using company property to conduct business for another enterprise. A conflict can also occur if an associate, a director, or a member of either’s family receives personal benefits as a result of the associate’s or director’s position in the company.

Actions by associates that might involve a conflict of interest, or the appearance of one, should be disclosed in writing to the associate’s local management for review and approval. The disclosure and approval will be filed in the associate’s personnel file. Associates who knowingly fail to disclose conflicts may be subject to discipline, including dismissal.

### **10.3.2 Relationships with the business community**

The company strives to maintain a cordial, but professional, relationship with its vendors, suppliers, contractors and other members of the business community. All associates and directors must endeavor to deal correctly with such members of the business community. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing actions. Also, associates must not be influenced by gifts or favors of any kind from other members of the business community. It is EVS policy to discourage the receipt of gifts either directly or indirectly by associates that may be misconstrued as an attempt to influence business decisions. The company expects each associate to exercise reasonable judgment and discretion in accepting any gratuity or gift offered to the associate in connection with his or her employment at EVS. If an associate is not certain whether a gift or favor may be accepted, the associate should obtain permission in advance from his or her supervisor.

In any case, the company requires that an associate disclose to his or her supervisor the receipt of any gifts or favors of any kind from other members of the business community. This does not apply to unsolicited promotional material of a general advertising nature, such as imprinted pencils, memo pads and calendars, or other gifts of nominal value in the aggregate as long as the gift:

- is reasonable and customary, not lavish or extravagant;
- is accepted without any express or implied understanding that the recipient is in any way obligated; and
- would not embarrass our company if publicly disclosed.

Presents of a ceremonial nature in keeping with national custom may be permitted as long as what is accepted is not in violation of any applicable law, cannot be construed as a bribe or a payoff, and would not embarrass the company if disclosed publicly.

### **10.3.3 Relationships with government officials**

Many countries in which EVS does business have specific laws on conducting business with government officials. Under such laws, typically, a company (including its shareholders, directors, associates and advisors) is prohibited from directly or indirectly offering, promising to pay, or authorizing the payment of money or anything of value to a government official to win or retain business or favorable treatment. The above does not apply to any fees, sometimes referred to as facilitating payments, charged by government or non-government bodies as required by law or for provision of a required service. All associates and directors must deal fairly with government officials. No one should take unfair advantage of any government official through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing actions. All associates must be familiar with and adhere to these requirements. Any questions in this regard should be referred to your local management or the company's legal department.

#### **10.3.4      *Outside work by associates***

EVS associates may wish to maintain or take on additional part-time work (including teaching) provided that does not entail a conflict of interest. The second job must be strictly separated from the associate's job at EVS and must not be liable to influence the business decision-making ability of the associate, who is duty bound to act in the best interest of the company, or involve the communication of confidential information. The associate must comply with the following requirements at a minimum:

- Outside work must not be done on company time and must not involve the use of company equipment or supplies.
- The associate should not attempt to sell products or services from the outside work to EVS.
- Performance of this outside work must not interfere with or prevent the associate from devoting the time and effort needed to fulfill the associate's primary duties and obligations as an EVS associate.

This policy applies whether or not an associate receives compensation (see "Charitable activities" below) from the outside work. If you are uncertain whether your work outside EVS could represent a conflict of interest, advise your local manager in writing and obtain approval.

#### **10.3.5      *Participation in civic and political activities***

EVS respects and supports the rights of associates and directors to participate in personal political activities. However, these activities should not be conducted on company time, be coercive with respect to other associates or directors, or involve the use of any company resources such as telephones, computers or supplies. Associates and directors will not be reimbursed for personal political contributions.

#### **10.3.6      *Charitable activities***

EVS is committed to being a good civic neighbor. Directors and associates are encouraged to work on behalf of not-for-profit organizations and in other volunteer capacities. However, if a director or associate serves in any capacity with a not-for-profit organization, such person may not represent either the company or the organization in any transactions between them. The provisions of this Code relating to outside work also apply with respect to charitable activities.

#### **10.3.7      *Competition laws***

Competition laws (also known as antitrust laws in some jurisdictions) are designed to ensure a fair and competitive free market system. While EVS will compete vigorously in the marketplace, we will comply with the applicable antitrust and competition laws wherever we do business. This means that we will compete on the merits of our service, the prices we charge, and the customer loyalty we earn.

## **10.4 Company resources**

### **10.4.1 Use of company information, confidentiality**

Associates and directors may not use for personal benefit or the benefit of any person or entity other than the company proprietary or material non-public information concerning any aspect of the company's business acquired as a result of their relationship with the company. Moreover, such information must not be disclosed to any other person or entity, except as required in the performance of company duties or as expressly authorized by the company.

An associate or a director may be held liable to the company for any benefit gained from improper use of such information or any damages sustained by the company as a result of improper disclosure of such information.

Similarly, you should not use unlawful means to acquire a competitor's or supplier's trade secrets or other confidential information. If you believe that any proprietary or non-public information about our competitors or suppliers has been obtained unduly or improperly, you should report the suspected transgression to the legal department and refrain from using such information.

### **10.4.2 Diversion of corporate opportunity**

A director or associate may not appropriate for himself or herself or divert to any other person or entity a business or financial opportunity that the director or associate knows, or reasonably should anticipate, that the company may have an interest in pursuing. Directors and associates owe a duty to EVS to advance EVS's legitimate interests when the opportunity to do so arises.

### **10.4.3 Preservation and proper use of company assets**

Each associate and director of the company must comply with all the company procedures aimed at preserving the assets of the company. An associate or director may not knowingly or recklessly create or participate in situations that may harm the reputation of the company. Other than in the normal course of business within an associate's authorization, such associate may not create financial liability on the part of the company. The assets of the company are to be acquired, used, and disposed of for the benefit of the company and its shareholders and not for the personal enrichment of its associates or directors. No corporate funds or assets may be used for any unlawful purpose. In addition, no associate or director may appropriate or make available to others any company property for a non-company purpose.

Each associate and director must be familiar with the procedures applicable to his or her responsibilities and must ensure they are followed, particularly in connection with the acquisition, use or disposition of company assets. Company assets includes not only physical and tangible items (such as inventory, equipment, vehicles, furnishings, fixtures, funds, supplies, and computer and telephone networks), but also include, subject to applicable law, intangibles (such as ideas, creations, concepts, and inventions that associates develop in execution of their work for the company or data and information that associates have access to as a result of their work responsibilities, and including all electronic information created or stored on any software or computer owned by the company). All rights of ownership and the information generated or obtained as part of an associate's employment relationship remain the exclusive property of EVS. Associates in a supervisory role also must require compliance on the part of those whom they supervise.

#### **10.4.4      *Trading on inside information***

Using confidential material information for trading, or tipping others to trade, is both unethical and illegal. In general, material confidential (or inside) information is any information about a company that has not been made public and is likely to be considered important by investors in terms of deciding whether to trade. The term “trade” refers to all securities transactions in the open market, and includes transactions in company plans such as the company’s stock option plans. In addition to being prohibited from buying or selling our securities or other publicly-traded securities when you are in possession of material inside information, you are also prohibited from disclosing such information to anyone else (including friends and family members) in order to enable them to exploit this information. It is illegal to give undisclosed material information about the company to anyone, other than in the necessary course of business.

Associates who involve themselves in insider trading (either by personally engaging in this type of transaction or by disclosing confidential material information to others) may be subject to immediate dismissal and prosecution.

EVS’s insider trading policy also prohibits trading by directors and other members of staff during the period beginning one month before the publication date of the quarterly or annual results and ending at 12.00 CET on the day of the publication. We refer to such periods as blackout periods and the time between such periods as trading windows. During a trading window, directors and members of the executive committee may engage in transactions involving company securities only after obtaining approval from a managing director or the chairman. The prior approval and notice requirements do not apply with respect to transactions done under a contract, instruction, or plan approved by the Board of Directors, that was entered into when the director or member of the Executive Committee was not in possession of material non-public information.

#### **10.4.5      *Use of email and internet services***

Email systems and internet services are provided to help us do our work.

Incidental and occasional personal use of these services which does not interfere with work duties or business operations is permitted, but never for personal gain or any improper or inappropriate purpose. Do not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, offensive cartoons or jokes, indecent propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that “flooding” our systems with junk mail and trivia hampers that ability of our systems to handle legitimate company business.

Unless prohibited by law, your messages (including voice mail) and the information contained on the computers are considered company property, and the company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access information, send a message or store any information that you would not want to be seen or heard by other individuals.

## **10.5 Accounting, reporting and compliance**

### **10.5.1 *Accounting and financial records***

It is the policy of EVS to keep books, records and accounts that accurately reflect all transactions and to provide an adequate system of internal accounting and controls. We expect you to ensure that those portions of our books, records and accounts for which you have responsibility are valid, complete, accurate and supported by appropriate documentation in verifiable form.

You should not:

- maintain any undisclosed or unrecorded funds or “off the book” assets;
- establish or maintain improper, misleading, incomplete, or fraudulent accounting documentation or financial reporting;
- record revenue for any transaction that has not fully complied with EVS’s revenue recognition guidelines;
- make any payment for purposes other than those described in the documents supporting the payment;
- submit or approve any expense report where you know or suspect that some of the underlying expenses were not incurred or are not accurate; or
- sign any document you believe to be inaccurate or untruthful.

All EVS associates who exercise supervisory duties over EVS assets or administrative documents must establish and implement appropriate internal controls over all their areas of responsibility. This will help ensure the safeguarding of EVS assets and the accuracy of our financial records and reports. We have adopted various types of essential internal controls and procedures to meet our internal needs and the applicable laws and regulations. We expect you to follow these controls and procedures to the extent they apply to you, in order to assure the complete and accurate recording of all transactions.

You must not interfere with or seek to improperly influence (directly or indirectly) the review or auditing of our financial records by the Audit Committee or independent auditors.

If you become aware of any questionable transaction or accounting practice concerning EVS or our assets, you should report the matter immediately to the Chairman of our Audit Committee. In addition, you should report to the Chairman of our Audit Committee all material off-balance-sheet transactions, arrangements and obligations, contingent or otherwise, and any other EVS relationships with unconsolidated entities or other persons that may have a significant current or future impact on our financial situation or operating results.

### **10.5.2 *Disclosures to investors***

It is the policy of EVS to fully and fairly disclose the financial situation of the company in compliance with applicable accounting principles, laws, rules and regulations. We are required by law to provide the public with periodic disclosures regarding our business and financial situation. We may provide additional disclosures to the public through our quarterly earnings calls, press releases, shareholder newsletters, or any other communication methods we deem necessary or appropriate. All EVS associates who participate in the preparation or dissemination of this information, or who provide information that they know may be used in the preparation of these disclosures have a legal and ethical duty to ensure that the content of the disclosures is accurate, complete and timely.

If you receive a request from someone outside the company for inside information (see Article 12.4.4 above) – for example, seeking guidance about our quarterly results, or asking for confirmation of a rumor – you should not respond. Instead, ask for the person’s name and telephone number, and contact immediately the Chairman of the Audit Committee. Also, if you become aware that our public disclosures are not accurate, complete and timely, or if you become aware of a transaction or development you believe may require disclosure, you should report the matter immediately to the Chairman of the Audit Committee.

### **10.5.3      *Records management***

EVS and its subsidiaries have policies relating to retention of company records, which are generally based on specific statutory and regulatory requirements. Records should be retained in accordance with these policies. The retention requirements apply to all company documents, including electronic records. You are prohibited from destroying any records that are potentially connected with a violation of the law, a dispute or any current, impending or foreseeable investigation or legal proceedings involving a public authority.

### **10.5.4      *Compliance with laws, rules and regulations***

The business and activities of EVS are subject to many laws, rules and regulations in the various countries in which it operates. The policy of the company has been, and will continue to be, to comply with all applicable laws in the conduct of its business. Each associate and director, while acting on behalf of the company, must comply with all applicable laws. No associate or director may take, or permit to be taken, any action that he or she knows or reasonably should know violates any applicable law. In addition, no associate or director may fail to take, or permit others to fail to take, any action that he or she knows or reasonably should know should be taken to comply with any applicable law.

## **10.6 Administration of the code**

### **10.6.1      *Role of supervisors and officers***

Supervisors and officers have important roles under this Code and are expected to demonstrate their personal commitment to this Code by fostering a workplace environment that promotes compliance with the Code and by ensuring that associates under their supervision are familiar with the Code and participate, if necessary, in compliance training programs offered by EVS.

### **10.6.2      *Investigations, disciplinary action***

EVS will initiate a prompt investigation following any credible indication that a breach of law or this Code may have occurred. The company will also initiate appropriate corrective action as deemed necessary, which may include notifying the appropriate authorities.

If you violate any provision of this Code, you may be subject to disciplinary action, including discharge, subject to the applicable law. Please be aware that EVS may seek civil remedies from you, and if your violation results in monetary loss to the company, you may be required to reimburse the company for that loss. If you are involved in a violation, the fact that you reported the violation, together with the degree of cooperation displayed by you and whether the violation is intentional or unintentional, will be given consideration in the company’s investigation and any resulting disciplinary action.



### **10.6.3      *No retaliation***

EVS will not retaliate against anyone who, in good faith, notifies us of a possible violation of the law or this Code, nor will the company tolerate any harassment or intimidation of any associate who reports a suspected violation or participates in an investigation into a suspected violation. In addition, there are “whistleblower” laws in certain jurisdictions that are designed to protect associates, under certain circumstances, from discrimination or harassment as a result of providing information to us or to governmental authorities, in accordance with certain legal requirements such as that governing workplace safety, the environment, securities fraud, and fraud against shareholders.

### **10.6.4      *Approvals and waivers***

Any approvals required under this Code must be documented. Any request for a waiver of this Code must be submitted in writing to the company’s Executive Committee (with a copy to the Chairman of the Board of Directors), which has authority to decide whether to grant a waiver. However, a waiver of any provision of this Code for a director or a member of the EVS Executive Committee must be approved by our Board of Directors or its designated committee. This waiver will be promptly disclosed in accordance with the applicable laws.

## **10.7 Asking for help or clarification, reporting concerns**

Directors and associates must adhere to this Code and report any suspected violations to the company. If you have a question or concern, you can contact your line manager directly. He or she will have the information you need or will be able to refer the matter to the appropriate person. You are also at liberty to contact any member of the company’s Executive Committee whom you feel you can trust.