



## **CORPORATE GOVERNANCE CHARTER**

### **1 Introduction**

Compagnie du Bois Sauvage undertakes to comply with the 9 principles included in the Belgian Code on Corporate Governance that was made public on 9 December 2004 by the Corporate Governance Commission and which was last amended on 12 March 2009.

1. The company shall adopt a clear corporate governance structure
2. The company shall have an effective and efficient Board of Directors taking decisions in the corporate interest
3. All Directors shall demonstrate integrity and commitment
4. The company shall have a rigorous and transparent procedure for the appointment and evaluation of the Board and its members
5. The Board shall set up specialised committees
6. The company shall define a clear executive management structure
7. The company shall remunerate Directors and executive managers fairly and responsibly
8. The company shall engage in a dialogue with the existing and potential shareholders based on mutual understanding of the objectives and expectations
9. The company shall ensure adequate disclosure of its corporate governance

Pursuant to the aforementioned Code, the Board of Directors of Compagnie du Bois Sauvage approved this Corporate Governance Charter on 19 December 2005 and modified it for the last time on 6<sup>th</sup> December 2010.

Any important amendment to this Charter will be mentioned in the corporate governance section of the annual report.



## 2 Definitions

Charter	Corporate Governance Charter
Closed Periods	Period of one month preceding the publication of the annual results and ending at the close of the third day of trading following publication  Period of one month preceding the publication of the half year results and ending at the close of the third day of trading following publication
Code	The Belgian Code on Corporate Governance
Company	Compagnie du Bois Sauvage
Control	Power in law or in fact to exercise a decisive influence on the appointment of the majority of the directors of the company or on the orientation of its management.
Financial Instrument	Any financial instrument such as: shares and other securities similar to shares; bonds and other marketable debt securities on the financial market; subscription rights and rights to exchange; futures; equity swaps; share options.
FSMA	Financial Services and Markets Authority
Group	Compagnie du Bois Sauvage as well as the companies that it controls as per the meaning in Article 5 of the Code on Companies
Key people	The Directors, members of the Management Committee and certain members of the staff at Compagnie du Bois Sauvage likely to hold privileged information
Privileged Information	Any information (1) that has not been made public, (2) that is precise, i.e. mentioning a situation that exists or of which it can reasonably be thought will exist or an event that has taken place or of which it can reasonably be thought will take place, and specific enough such that a conclusion can be drawn in terms of the potential impact of this situation or event on the quoted share price, (3) concerning, directly or indirectly, Compagnie du Bois Sauvage, and (4) that, if made public, could significantly influence the price of the financial instruments or related financial instruments of Compagnie du Bois Sauvage
Prohibited Period	Period identified as sensitive by the Management Committee. The General Secretary shall inform the Key People of the beginning and end of such periods.
Subsidiary	A Group company that has at least a Company representative among its Directors



### **3 Corporate governance structure**

The Board of Directors shall manage the Company collegially and shall be held accountable by the general assembly that appoints and dismisses Directors.

The Board shall be invested with the powers necessary for carrying out all administration, management and disposal activities in the interests of the Company. Any activities that are not expressly covered by law or the Articles of association at the general assembly shall fall within its responsibility.

The Board, in its meeting of 12 March 2007, entrusted daily management to a Management Committee within the meaning of Article 524 bis of the Code on Companies.

*The Compagnie du Bois Sauvage is a holding company under Belgian law, quoted on Euronext Brussels, with a majority shareholder that is “family” and stable.*

*Its purpose is to take participating interests in both listed and unlisted companies.*

*Its aim is to support talented businessmen and businesswomen, whether financiers or industrialists, who seek support during their company’s existence.*

*It thus provides help not only in terms of financial management, but also for the structure and stability of the shareholding of its participating interests.*

*Also a land company, it holds real estate assets of quality, which are a source of stable, recurring revenue.*

*Extremely vigilant with regard to the interest of its own shareholders, it aims at the creation of long-term value and distributes a dividend that enjoys regular growth.*



## **4 Board of Directors**

### **4.1. Responsibilities of the Board of Directors**

The general premise is that the Board of Directors shall be responsible for management of the Company and control of the daily management that it has entrusted to the Managing Director assisted by the Management Committee.

In addition to its duties in terms of the Code on Companies, the main tasks of the Board of Directors are as follows:

- Definition of the long-term objectives of the Company, its strategy, the level of risks that it accepts to take and the key policies deriving from this (risk management, financial resources management and human resources management)
- Appointment/dismissal of the Chairman of the Board of Directors
- Appointment/dismissal of the Managing Director and the members of the Management Committee
- Definition of the responsibilities of the Managing Director, the Management Committee and their remuneration
- Monitoring and checking the performance of the Managing Director, the Management Committee and creation of the company's strategy
- Taking the necessary measures to ensure the integrity and timely publication of the financial statements and other significant items of information.
- Implementation of measures necessary for ensuring independence of the Managing Director and the Management Committee in relation to the Board of Directors
- Definition of the division of tasks between the Chairman and the Managing Director.
- Approval of the main investments/disinvestments put forward by the Managing Director
- Monitoring of the main investments using reports from the Managing Director
- Definition of the responsibilities of the Chairman of the Board and those of the Managing Director
- Setting up of Specialised Committees and definition of how they shall be comprised, their responsibilities and the remuneration of their members
- Monitoring and checking the efficiency of the work of Specialised Committees
- Ensuring that internal controls for operational, financial and legal matters are implemented and working well
- Follow-up of the Auditor's work
- Appointment of a Company Secretary responsible for advising on governance

### **4.2. Composition**

In compliance with the Code on Companies and the Company's Articles of association, the Company shall be directed by a Board of Directors comprised of at least three members and at the most 10 members who shall be appointed and dismissed by the general assembly that is responsible for setting their number and the length of their mandates.

The principal rules governing appointment/re-election within the Board of Directors are as follows:

- Non-executive Directors shall be the majority
- Independent Directors shall carry out a mandate of 6 years, potentially renewable once (the difference with the Code provision regarding this is explained at point 4.5 below)
- There is no limit to the number of terms for which executive Directors may be re-elected while they are working in the company



- Any mandate shall terminate no later than at the ordinary general assembly following the Director's 70th birthday
- Composition of the Board of Directors shall be based on a mix of sexes, diversity and complementarity of competences, experiences and knowledge.

The Board of Directors is currently comprised of 9 members who are physical persons. Among these 9 members, 8 are non-executive Directors, of which 4 are independent and 4 are representatives of the shareholders.

The Board of Directors shall be small enough for efficient decision-making. It shall be large enough so that its members can contribute experience and knowledge from different fields and such that changes to the Board's composition can be managed without undue disruption.

#### **4.3. Representation**

Unless there is a special delegation by the Board of Directors, any act whatsoever that binds the Company, even other than those of daily management, shall be signed by two Directors whose names and powers shall have been published in Belgium's official gazette, the *Moniteur belge*. In this case, the said Directors need only justify said publication in the *Moniteur belge* and no other previous decision of the Board of Directors.

#### **4.4. Procedure for nomination / re-election**

The Board of Directors has set up a Remuneration and Nomination Committee to assist it (see point 5.2 below) with this task.

In the case of renewing a mandate, the Remuneration and Nomination Committee shall evaluate the individual contribution made by the Director concerned to the successful operation of the Board of Directors in terms of deliberations and decision-making during the period of his or her mandate.

In the event of a positive evaluation of this contribution, the Remuneration and Nomination Committee shall recommend that the Board of Directors put the Director concerned forward for re-election at the general assembly.

For any new appointment, the Remuneration and Nomination Committee shall evaluate the skills, knowledge and experience already present and required on the Board, and based on that evaluation, draw up a description of the role, skills, experience and knowledge required.

The Remuneration and Nomination Committee shall then evaluate the candidate(s) according to this description. It shall inform the candidates of the extent of their duties, in particular the time commitment involved in carrying out their mandates.

The Remuneration and Nomination Committee shall then make a proposal to the Board of Directors so that the Board can put forward the nomination of the candidate selected at the general assembly.

In the event of a new nomination, the Chairman of the Board of Directors shall be satisfied that before any approval of the candidate, the Board of Directors will have received sufficient information on the candidate: curriculum vitae, evaluation based on the initial interview, list of the other functions undertaken, as well as where necessary any information required for assessing the person's independence.

The mission of the Remuneration and Nomination Committee may be more limited in case of a recommendation of an application by the principal shareholder.



The nomination proposals shall be communicated together with the other agenda points for the general assembly. The proposal shall specify the proposed term of the mandate (see period point below).

The Board shall indicate whether or not the candidate satisfies the independence criteria.

#### **4.5. Period / age limit**

The Directors shall be nominated for a mandate period of 6 years.

The mandate of independent Directors is renewable only in exceptional circumstances and in this case, once only.

Any mandate shall terminate no later than at the ordinary general assembly following a Director's 70th birthday.

#### **4.6. Independence criteria**

In addition to the criteria provided for in Article 524 of the Code on Companies, the assessment of independence shall take into account the following criteria:

- not being an executive or Managing Director of Compagnie du Bois Sauvage or an associated company, and not having been in such a position during one of the previous three years
- not being an employee of Compagnie du Bois Sauvage or an associated company, and not having been in such a position during one of the previous three years
- not receiving, or having received, significant additional remuneration from Compagnie du Bois Sauvage or an associated company apart from the fee received as non-executive Director
- not being a controlling shareholder or holding more than 10% of the shares, or a Director or executive manager of such a shareholder
- not having, or having had within the last year, a significant business relationship with Compagnie du Bois Sauvage or an associated company, either directly or as a partner, shareholder, Director or senior employee of an entity having such a relationship
- not being or having been within one of the last three years, a partner or employee of the current or former external Auditor of Compagnie du Bois Sauvage or an associated company
- not being an executive or Managing Director of another company in which an executive or Managing Director of Compagnie du Bois Sauvage is a non-executive or Managing Director, and not having other significant links with executive Directors of Compagnie du Bois Sauvage through involvement in other companies or entities
- not having served on the Board as a non-executive Director for more than two terms
- not being a close family member of an executive or Managing Director or of persons in the situations described above.

#### **4.7. Convening meetings / deliberations**

The Board shall meet regularly enough in order to be able to carry out its duties effectively.

The Chairman shall set the agenda of the Board meetings after consultation with the Managing Director, and shall ensure that procedures relating to preparatory work, deliberations, passing of resolutions and implementation thereof are properly followed.



The agenda shall list the topics to be discussed and specify whether they are for information, deliberation or decision-making purposes.

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

The Chairman shall be responsible for ensuring that the Directors receive accurate information 3 to 5 days before the meetings and, where necessary, between meetings. All Board Directors shall receive the same information.

The Board of Directors can validly deliberate when half of its members are present or represented.

A Director prevented from attending a meeting can give a proxy to another Director. Each Director can hold only one proxy.

The decisions of the Board of Directors shall generally be made unanimously. If no consensus is reached, they shall be made based on a simple majority of the votes. In the event of a tie, the Chairman's vote shall decide.

Each Director shall arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the Company. All Directors shall inform the Board about conflicts of interest as they arise and shall abstain from voting on the matter at hand in accordance with the relevant provisions of the Code on Companies. Any abstention from voting, motivated by a conflict of interest, shall be disclosed in accordance with the relevant provisions of the Code on Companies.

Directors cannot use the information obtained in their capacity as Directors for purposes other than for the exercise of their mandate. They must ensure that they handle the confidential information received in their capacity as Director with caution.

The number of meetings of the Board and of its Committees as well as the individual attendance record of Directors shall be disclosed in the Corporate Governance chapter of the annual report.

The Board has appointed a Company Secretary, in the person of the General Secretary. This person shall report to the Board on how Board procedures, rules and regulations are being followed and complied with. This person shall also be responsible for advising the Board of Directors on governance. Where necessary, the Company Secretary shall be assisted by the Company lawyer. Directors shall be able to approach the Company Secretary individually.

The role of the Company Secretary shall be to ensure, under the direction of the Chairman, proper communication of information within the Board of Directors and its Committees and between executive management and non-executive Directors.

#### **4.8. Induction**

The Chairman shall ensure that newly appointed Directors receive an appropriate induction to ensure that they are in a position to make immediate contributions to the Board. The induction process should help the Director grasp the fundamentals of the Company, including its governance, strategy, key policies, and financial and business challenges.



For Directors called to join Board Committees, the induction provided should encompass a description of the Committee's specific features and any other information linked to the special role of the Committee.

For new Audit Committee members, this programme shall cover the Audit Committee's terms of reference and provide an overview of the Company's internal control organisation and risk management systems. In particular, they shall be provided with full information on the Company's specific accounting, financial and operational features. This induction shall also include meeting the Auditor and the relevant company staff.

Directors shall update their skills and improve their knowledge of the Company in order to fulfil their role on both the Board and the Board Committees. The resources needed for this process shall be made available.

#### **4.9. Evaluation**

Under the lead of its Chairman, the Board shall regularly (at least every two or three years) assess its size, its composition, how it is working and its interaction with executive management.

This evaluation process shall have four objectives:

- assessing how the Board operates
- checking that the important questions are suitably prepared and discussed
- evaluating the actual contribution of each Director through his or her presence at Board and Committee meetings and his or her constructive involvement in discussions and decision-making
- checking the Board's current composition against the Company's desired composition.

The non-executive Directors shall regularly (preferably at least once a year) assess their interaction with executive management. In this respect, non-executive Directors shall meet at least once a year in the absence of the Managing Director and the other executive Directors.

There shall be a periodic evaluation of the contribution of each Director aimed at adapting the composition of the Board to take account of changing circumstances. When dealing with re-election, the Director's contribution and effectiveness shall be evaluated in accordance with a pre-established and transparent procedure.

The Board shall act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses. Where appropriate, this will involve proposing new members for nomination, proposing not to re-elect existing members, or taking any measure deemed appropriate for the effective operation of the Board.

#### **4.10. Role of the Chairman**

The Board shall appoint its Chairman from among its non-executive members on the basis of his or her knowledge, competence, experience and mediation skills. If the Board should envisage appointing a previous Managing Director as Chairman, it shall consider the positive and negative aspects of such a decision with caution.

The Chairman shall act as the link with the main shareholder.



The Chairman shall be responsible for managing the Board. He or she shall take the measures required for developing a climate of trust within the Board, by contributing to open discussion, constructive dissent and support for the Board's decisions.

The Chairman shall promote effective interaction between the Board and Management.

The Chairman shall set the meeting agenda with the Managing Director.

The Chairman shall ensure that procedures relating to preparatory work, deliberations, passing of resolutions and implementation thereof are properly followed.

The Chairman shall ensure that the Directors receive accurate and timely information before the meetings, and where necessary, between meetings.

The Chairman shall ensure that the Board appoints the members and Chairman for each Specialised Committee.

The Chairman shall take necessary measures such that relevant questions from shareholders are answered during the general assembly.

The Chairman shall ensure that newly appointed Directors receive an appropriate induction to ensure that they are in a position to make immediate contributions to the Board.

The Chairman shall be responsible for the evaluation measures of the Board and of the Specialised Committees.

#### **4.11. Remuneration policy**

##### **4.11.1 Directors**

The remuneration for Directors shall be broken down into 2 parts:

1. A fixed amount of EUR 5,000 gross per person per year
2. A variable amount equivalent to a maximum of 2/95<sup>ths</sup> of the profit allocated annually by the Company equally distributed among all the executive and non-executive Directors, with the Chairman of the Board of Directors having a right to a double share.

Remuneration of the Managing Director, the sole executive Director, is detailed in point 6.5. below.

##### **4.11.2 Specialised Committees**

The annual attendance fee of the Audit Committee shall be fixed. It amounts to EUR 4,000 gross for the members and EUR 5,000 gross for the Chairman (proportional to their attendance).

The attendance fee of the Remuneration and Nomination Committee shall be variable. It amounts, per meeting, to EUR 750 gross for the members and EUR 1,000 gross for the Chairman.



## **5 Specialised Committees**

The Board has set up 2 Specialised Committees to analyse specific issues and to advise the Board on these issues. The decision-making remains a collegial responsibility of the Board.

The Chairman of the Board shall ensure that the Board appoints the members and the Chairman for each of these Committees.

The Committee member mandate shall not be for a term exceeding that of the Director mandate.

Each Committee may invite any non-member to attend its meetings.

Board Committees shall be entitled to seek external professional advice at the Company's expense after informing the Chairman of the Board thereof.

After each Committee meeting, the Board shall receive from each Committee a report on its findings and recommendations.

### **5.1. Audit Committee**

#### **5.1.1 Legal obligation**

The Audit Committee is established by the Board of Directors pursuant to Article 526 bis of the Code on companies

#### **5.1.2 Composition**

The Audit Committee shall be composed of three non-executive Directors. At least the majority of its members shall be independent. The Chairman of the Board shall not chair the Audit Committee.

At least twice a year, the Audit Committee shall meet the external Auditor, to discuss matters relating to its terms of reference and any issues arising from the audit process.

The Audit Committee shall decide whether or not and where necessary when the Managing Director (or senior employees responsible for financial, accounting, and budgetary matters), the external Auditor shall attend its meetings. Given the size of the company, the company has no internal auditor.

The Committee shall be entitled to meet with any relevant person without any executive manager present.

#### **5.1.3 Role**

The role of the Audit Committee, the audits carried out and the subsequent reporting shall cover the Group as a whole.

#### **Financial reporting**

The Audit Committee shall monitor the integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards used by the Company and the Group, including the criteria for consolidating the accounts of companies in the Group.

This review involves assessing the accuracy, completeness and consistency of financial information. The review shall cover periodic information before it is made public.



The Managing Director shall inform the Audit Committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches.

The Committee shall discuss significant financial reporting issues with both the Managing Director and the external Auditor.

#### Internal controls and risk management

At least once a year, the Audit Committee shall review the internal control and risk management systems set up by the Management Committee, with a view to ensuring that the main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed and disclosed.

Given the size of the Company in terms of staff (less than 15 people), the Board has not deemed it necessary to set up a special mechanism by which the staff at the Company can confidentially share their concerns as regards any irregularities.

#### Internal audit process

Given the size of the Company, there is currently no independent internal audit position.

The Audit Committee shall assess at least once a year whether there is a need for creating this position.

#### External audit process

The Audit Committee shall make recommendations to the Board on the selection, appointment and re-appointment of the external Auditor and the terms for taking on this person. In accordance with the Code on Companies, this proposal shall be submitted to the shareholders for approval.

The Audit Committee shall monitor the external Auditor's independence, especially in view of the provisions in the Code on Companies and the Royal Decree of 4 April 2003. The Committee shall obtain a report from the external Auditor describing all relationships the independent Auditor has with the Company and its Group.

The Audit Committee shall also monitor the nature and extent of non-audit services provided. The Committee shall establish and apply a formal policy specifying the types of non-audit services that are a) excluded, b) permissible after review by the Committee and c) automatically permissible taking into account the specific requirements under the Code on Companies.

The Audit Committee shall be informed of the external Auditor's work schedule. The Committee shall obtain timely information about any issues arising from the audit.

The Audit Committee shall review the effectiveness of the external audit process, and the responsiveness of management to the recommendations made in the external Auditor's management letter.

If the external Auditor should resign, the Audit Committee shall investigate the issues giving rise to the resignation of the external Auditor, and shall make recommendations as to any action that needs to be taken.

#### **5.1.4 Operation of the Audit Committee**

The Audit Committee shall meet at least twice a year.

Every year, it shall review its terms of reference and its own effectiveness, and shall recommend to the Board any necessary changes.



## **5.2. Remuneration and Nomination Committee**

### **5.2.1 Legal obligation**

The Remuneration Committee is established by the Board of Directors pursuant to Article 526 quarter of the Code on companies.

The Board of Directors of June 19, 2006 decided to merge the Remuneration Committee and the Nomination Committee.

### **5.2.2 Composition**

The Remuneration and Nomination Committee shall be comprised of three non-executive Directors. A majority of its members shall be independent.

It shall be chaired by an independent non-executive Director.

The Chairman of the Board can be involved in the discussion, but shall not attend the Committee when it is dealing with the nomination of his or her successor.

The Committee can call upon the Managing Director when dealing with the remuneration of the other members of the executive management.

### **5.2.3 Role**

The Remuneration and Nomination Committee has a dual role to play:

1. It shall make recommendations to the Board with regard to the appointment of Directors.
2. It shall make proposals to the Board on the remuneration policy for non-executive Directors and the resulting proposals to be submitted to the shareholders, as well as the remuneration policy for executive management.

It shall ensure that the nomination and re-election process is organised objectively and professionally. To achieve this, it shall

- establish nomination procedures for Directors
- periodically assess the size and composition of the Board and make recommendations to the Board with regard to any changes
- identify and put forward, for the approval of the Board, candidates to fill vacancies as they arise
- advise on nomination proposals originating from shareholders
- advise on nomination proposals originating from the Managing Director, especially for questions relating to executive Directors
- properly consider issues related to succession planning
- submit a remuneration report to the Board. This report detailed by persons and by function, shall concern the non-executive Directors and the executive Director(s) and members of the Management Committee for the whole of their remuneration. The report shall also distinguish the base remuneration from the variable part, the pension plan and other remunerations.

Non-executive directors shall not receive either performance-related remuneration such as bonuses, stock related long-term incentive schemes, or benefits in kind or pension scheme related benefits.



Its proposals on the remuneration policy for executive management members shall include at least:

- the main contractual terms including the main features of pension schemes and the early termination arrangements
- the key elements for determining the remuneration, including
  - the relative importance of each component of the remuneration
  - the performance criteria chosen for the variable elements of the remuneration
  - the benefits in kind.

The Remuneration and Nomination Committee shall make recommendations on the individual remuneration of Directors and executive managers, including on bonuses and long-term incentives, whether stock-related or not, granted in the form of stock options or other financial instruments.

The Board shall approve the contracts for appointment of the Managing Director and the other executive managers after having sought the opinion of the Remuneration Committee. Contracts concluded from 1st July 2009 shall make reference to the criteria to be taken into consideration when fixing the variable remuneration. The contract shall contain specific provisions regarding early termination of functions.

#### **5.2.4 How it operates**

The Remuneration and Nomination Committee shall meet at least twice a year and whenever it deems it necessary for carrying out its duties.

It shall regularly review its terms of reference and its own effectiveness, and shall recommend to the Board any necessary changes.

#### **5.2.5 Annual Report (effective on the general assembly of 2012)**

The Remuneration and Nomination Committee prepares an annual report for which the minimum content is defined by the Code on Companies

This report will be a point of specific vote on the Annual General Meeting of the shareholders.



## **6 Management Committee**

### **6.1. Responsibilities of the Management Committee**

The Board, in its meeting of 12 March 2007, took the decision to establish a Management Committee within the meaning of Article 524 bis of the Code on Companies.

The Board has delegated to the Management Committee the powers to manage the Company except for:

- the company's general policy and strategy;
- closing of accounts;
- any subject reserved by law or by the Articles of association for the Board;
- the drawing up of an annual budget;
- any investment decision where the amount exceeds EUR 1 million;
- any investment decision, even on an amount under EUR 1 million, if it does not form part of the general policy or annual budget;

The responsibilities of the Management Committee shall be at least equivalent to those described in point 6.5 of the 2009 Belgian Code on Corporate Governance.

### **6.2. Composition**

The Company's Managing Director shall act in the capacity of Chairman of the Management Committee.

The Board shall appoint the members of the Management Committee, dismiss them, fix their remuneration, the term and their mission.

It currently comprises 3 members.

### **6.3. Power**

Without prejudice to the Managing Director's powers of representation, all documents of any kind that bind the Company and fall within day-to-day management shall be signed by

- two members of the Management Committee
- one member of the Management Committee and the General Secretary.

### **6.4. Convening meetings / deliberations**

The Management Committee shall act collegially.

It shall meet following an invitation from the Managing Director, as often as the interests of the Company require, and on a fixed date every two weeks.

It must be convened following the request of any member.

The decisions of the Management Committee shall be based on a majority of the members present. However, a decision shall not be adopted if it is not supported by the Managing Director's vote.

If the Managing Director opposes the majority opinion of the other members of the Management Committee, the point shall be submitted to the next Board meeting which shall decide on the matter.



### **6.5. Remuneration policy**

Remuneration of the Managing Director and the members of the Management Committee shall be divided into two parts:

1. A fixed part paid monthly
2. A variable amount equivalent to a maximum of 2.5/95<sup>ths</sup> of the profit allocated annually by the Company distributed by the Board among the members of the Management Committee based on a proposal from the Remuneration and Nomination Committee.

For the Managing Director, it will be necessary to add the fixed part and the variable part of his or her Director's remuneration (see point 4.11.1).

This second part shall be aimed at matching the interests of Management Committee members with those of the Company and its shareholders. Its distribution shall be structured in such a way as to be linked to their individual performances and those of the Company.



## **7 Code of conduct for financial transactions**

Given the size of the Company, the Board has judged it unnecessary to appoint a “compliance officer”.

The Board has entrusted the General Secretary with monitoring the regulations included in the present chapter.

### **7.1. Transactions concerning the Financial Instruments issued by the Company or its quoted Subsidiaries**

#### **7.1.1 Duty to inform**

The Key People shall agree to communicate to the Managing Director or the General Secretary all their transactions concerning the Financial Instruments issued by the Company or its quoted Subsidiaries.

The communication shall be carried out by e-mail prior to the effective transaction.

The Managing Director or the General Secretary shall keep a written copy of these notifications.

#### **7.1.2 Restriction during Closed Periods and Prohibited Periods**

The Key People are prohibited from carrying out transactions concerning the Financial Instruments issued by the Company or its quoted Subsidiaries during Closed Periods and Prohibited Periods.

#### **7.1.3 Restrictions in terms of Privileged Information**

The Key People holding Privileged Information must refrain from:

- using this Privileged Information, whether for their own benefit or that of another person, for acquiring, selling or attempting to acquire or sell directly or indirectly the Financial Instruments affected by this information
- communicating this Privileged Information to another person, whoever that person may be, except as part of carrying out normal parts of their work, and carrying out their role
- based on this Privileged Information, advising another person, whomever that may be, to acquire or sell the Financial Instruments affected by this Privileged Information, or to have this acquisition or sale carried out by other people.

#### **7.1.4 Prohibition in terms of market manipulation**

All staff members of the Company as well as the Key People must refrain from:

- distorting the mechanism of setting prices of Financial Instruments issued by the Company or its quoted Subsidiaries
- spreading distorted or misleading information about the Company or its quoted Subsidiaries

This type of conduct may breach the general principle according to which all investors must be placed on equal footing and lead to some of them being adversely affected, directly or indirectly.



## **7.2. Transactions concerning the Financial Instruments issued by the unquoted Subsidiaries**

Key People are prohibited from directly or indirectly holding Financial Instruments issued by the unquoted Subsidiaries.

They shall take all necessary measures to ensure that none of their immediate family members (partner, dependent children or person sharing the same dwelling for one year) hold any of them.



## **8 Shareholders' interests**

### **8.1. General principle**

The Company shall treat all shareholders equally. All necessary means and information that enable shareholders to exercise their rights shall be made available.

A separate part of the website ([www.bois-sauvage.be](http://www.bois-sauvage.be)) shall be reserved for describing the holding and voting rights of the shareholders at the general assemblies. This section shall also contain a financial calendar (dates of periodic disclosure, general assemblies and dividend payments).

The Articles of association and the Corporate Governance Charter shall be made available at any time and notably on the Website.

### **8.2. General meetings**

The general assembly shall take place every year on the 4<sup>th</sup> Wednesday in April at the Registered Office of the Company.

The Board shall invite the shareholders to personally take part in the general assemblies. The shareholders who are unable to attend a general assembly can use the proxy form made available to them by the Company on its Website before the meeting or sent to registered shareholders.

All documents sent before the general assembly to the registered shareholders in compliance with the Code on Companies shall also be available on the Company Website.

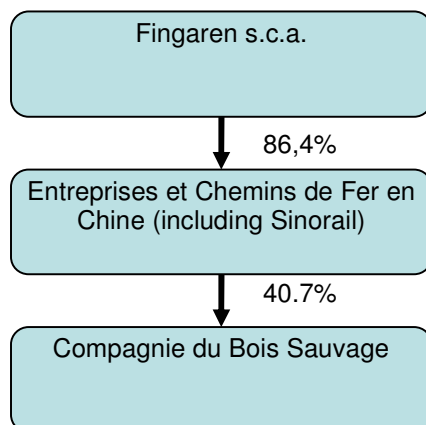
At the general assemblies, all shareholders can ask questions relating to the annual report and the items on the agenda. The Chairman shall take the measures necessary such that these questions are answered, provided the answers do not risk causing damage to the Company, its shareholders or its employees.

The results of the votes and the minutes of the general assembly shall be available on the website.



## 9 Shareholding structure

The information below shall be updated regularly.



Guy Paquot, Chairman of the Board of Directors, Fingaren control.

On 31<sup>st</sup> August, 2010, the company Entreprises et Chemins de Fer en Chine (including Sinorail) held 636,301 shares in Compagnie du Bois Sauvage out of a total of 1,562,710 shares in circulation, i.e. 40.7%. In theory, following the conversion of all convertible bonds in circulation and the exercise of all warrants in circulation, Entreprises et Chemins de Fer en Chine would hold 783,482 shares out of a total of 1,895,255, i.e. 41.3%.

Entreprises et Chemins de Fer en Chine is a *société patrimoniale*, an asset management company listed on the public sale market and has the aim of ensuring stability in the Group shareholding.

The two companies have three Directors in common.

There is no agreement whatsoever between the two companies, and no remuneration, benefit, management or other fee is paid by Compagnie du Bois Sauvage or any of its subsidiaries to Entreprises et Chemins de Fer en Chine, Sinorail or Fingaren.

On 31 December 2009, the members of the Board and the Management Committee of Compagnie du Bois Sauvage held in total 13,422 (0.9%) Compagnie du Bois Sauvage shares.