

COMPAGNIE DU BOIS SAUVAGE

Internal rules of conduct of the Audit and Risk Management Committee of Compagnie du Bois Sauvage

The Board has set up the Audit and Risk Management Committee to analyse specific issues and to advise the Board on these issues. The decision-making remains a collegial responsibility of the Board.

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 Chair of the Board thereof.

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

1. Legal Obligation

The Audit and Risk Management Committee is established by the Board of Directors pursuant to Article 7 :99 of the Belgian Companies and Associations Code.

2. Composition

The Audit and Risk Management Committee shall be composed of at least three non-executive Directors, at least one of whom is independent. At least one member has the necessary accounting and auditing expertise.

The Chair of the Board shall not chair the Audit Committee.

At least once a year, the Audit and Risk Management 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 and Risk Management Committee shall decide whether or not and where necessary when the external Auditor shall attend its meetings.

Given the size of the company, notwithstanding principle 4.14 of the Belgian Corporate Governance Code 2020, the company has set up an internal audit function non-qualified as independent

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3. Role

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

3.1. Financial reporting

The Audit and Risk Management 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 General Manager shall inform the Audit and Risk Management 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 General Manager and the external Auditor.

The Committee shall give to the Board all information concerning the review of the statutory audit and shall explain how the statutory audit has contributed to the integrity of financial information and which role the Audit Committee has played in the process.

3.2. Internal controls and risk management

At least once a year, the Audit and Risk Management Committee shall review the internal control and risk management systems in place, in order to ensure that main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed and disclosed.

In accordance with principle 4.13 of the Belgian Corporate Governance Code 2020, the Audit and Risk Management Committee shall review the specific mechanisms in place for the staff at the Company to confidentially share their concerns about potential financial reporting irregularities or other matters. The Audit and Risk Management Committee endorses mechanisms for staff to report directly to its Chair. If necessary, arrangements will be made for a proportionate and independent investigation of these matters and appropriate follow-up actions.

Given the size of the Company at staff level (less than 10 people), employees may send a confidential e-mail to the Chair of the Audit and Risk Management Committee with concerns about possible irregularities in the preparation of financial information or other matters. They will receive a reply within 7 days as to the action to be taken (internal or external, or even legal).

3.3. Internal audit process

Given the size of the Company, an internal audit function non-qualified as independent has been set up. The Audit and Risk Management Committee shall assess at least once a year whether there is a need for creating an independent internal audit function.

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3.4. External audit process

The Audit and Risk Management Committee shall make recommendations to the Board on the selection, appointment and re-appointment of the external Auditor following a public tender process in case of mandate's extension beyond the 9 years period, and the terms for taking on this person. In accordance with the Belgian Companies and Associations Code, this proposal shall be submitted to the shareholders for approval.

The Audit and Risk Management Committee shall monitor the external Auditor's independence, especially in view of the provisions in the Belgian Companies and Associations Code and the Royal Decree of April 29, 2019. 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 and Risk Management 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 Belgian Companies and Associations Code.

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

4. Operation of the Audit and Risk Management Committee

4.1. Calendar and agenda

The Audit and Risk Management Committee shall meet as many times as the completion of its tasks requires it and at least four times a year.

4.2. Convocation and distribution of information

Audit and Risk Management Committee's meetings are convened by its Chair.

Members shall be advised at least 4 days prior to the Committees meetings. This notification delay may be reduced if (i) the Chair decides that unforeseen circumstances and the interest of the Company require a shorter notification or (ii) when all members agree with a shorter time of notification.

The convocation will specify date, time and place of the meeting as well as its agenda. The meeting may also be held by e-mail, telephone, video or any other means of communication.

Information and significant data for the understanding of the issues to be discussed during a meeting, as well as the final text of the minutes of the previous meeting will be distributed to its members with the convocation. If supporting documents are highly sensitive or confidential, the Chair may however decide not to distribute copies but give members the opportunity to consult them before the meeting. Members will analyse the distributes material prior to the meetings. Should the subject be too sensible to be recorded in writing, it will be discussed during the meeting.

4.3. Consulting of external consultants

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The Committee may seek advice from experts, consultants or other external counsels the way it may consider appropriate in order to fulfil its task, as long as those persons have no conflict of interest with the Company.

The Board of Directors delegates specifically to the Committee the binding power of approval for the Company of all conditions of recruitment for using external consultants and to pay all fees relating to it within the annual authorized budget limits.

The Secretary of the Board is responsible for coordinating all recruitment initiatives of the various committees of the Board of Directors in order to keep cost efficiency and avoid duplication of efforts.

Initiatives taken by the Committee for a larger amount than was allocated must receive prior approval of the Board of Directors.

4.4. Access to information

The Audit and Risk Management Committee is supposed to maintain a free and open communication with the management and the external auditor.

The Chair will ensure that members receive accurate, clear and timely information. If the members of the Audit and Risk Management Committee have any questions about the reports of any external advisers, they will inform the Chair, who will pass on their questions to the said external advisers in order to obtain additional information and who will pass on any clarifications to them.

When carrying out its tasks and responsibilities listed above, the Audit and Risk Management Committee is authorised to:

- a) take initiative of any analysis within its scope of competence, conduct a survey and has the right to access to all documents and acts of the Company and its subsidiaries required for its task. He may require the full collaboration of all directors, members of the management and all the staff of the Company and its subsidiaries as well as of the external auditor;
- b) meet separately with the external auditor, the advisors and the staff in order to discuss any topic which the Committee might think necessary to discuss privately.

4.5. Reporting

The Audit and Risk Management Committee will report to the Board of Directors on its decisions, findings, advices, recommendations or proposals after each meeting, unless it considers this report as unjustified whilst awaiting complementary analysis. Furthermore, the Committee will present each year a report on its activities.

4.6. Internal rules of procedure

The Audit and Risk Management Committee shall revise regularly the internal rules at least every three years and recommend amendments it might think necessary.

4.7. Efficiency

The Committee shall regularly conduct a review of its efficiency (at least every three years) and shall report to the Board of Directors.

*"The present document has been first drafted in French.
In the event of problems about interpretation, only the French version shall be deemed authentic."*