



## CORPORATE GOVERNANCE CHARTER

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**Gimv nv**

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## **INTRODUCTION**

The Board of Directors of Gimv NV (hereafter '**Gimv**' or the '**company**') applies the Belgian Corporate Governance Code for listed companies (2009) (called "**the Corporate Governance Code**" or the "**Code 2009**").

This Charter is available on the company's website ([www.gimv.com](http://www.gimv.com)) and will be updated in relation to relevant developments in the matter.

In order to obtain a full picture, this Charter must be read in conjunction with the most recent annual report of the company, in which the chapter on corporate governance explains the concrete application of the policy over the last financial year.

## **1 GOVERNANCE STRUCTURE**

### ***1.1 Legal structure***

Gimv is a limited liability company under Belgian law. A coordinated version of the company's articles of association is available on the company's website (<https://www.gimv.com/en/about-gimv/corporate-governance#toc-1>). Gimv is a listed company, whose shares are admitted to trading on the regulated market Euronext Brussels.

The company has various direct and indirect subsidiaries both nationally and internationally (cfr. annual report).

### ***1.2 Corporate Governance Structure***

Gimv has a monistic governance structure.

The Board of Directors is the highest management body in the company and is authorized to carry out all actions that are useful or necessary for the realisation of the company object, except for those powers which by law belong to the General Shareholders' Meeting.

The Board of Directors defines the strategy, makes all important investment decisions and supervises the day-to-day management. The Board of Directors is assisted in this by three advisory committees: the audit & risk committee, the nomination committee and the remuneration committee.

The day-to-day management is entrusted to the managing director, who is authorized to act alone with regard to the day-to-day management. He is assisted in this by the executive committee, the members of which are appointed and dismissed by the Board of Directors in consultation with the managing director.

Investment and divestment decisions are established on the initiative of the investment teams in the platforms. For new investments not exceeding a certain amount, the Board of Directors has delegated the decision-making authority to the investment committee. Investment decisions exceeding this amount are taken by the Board of Directors on the proposal of the investment committee.

The above principles are explained in more detail later in this charter.

## **2 SHAREHOLDER STRUCTURE**

### ***2.1 Reference shareholder***

The Vlaamse Participatiemaatschappij NV (also called "**VPM**" hereinafter) was founded on 4 November 1997 by the Flemish Government.

VPM owns 6,818,407 shares of Gimv, or 26.82 % of the total number of outstanding shares. The remaining 73.18 % of the shares are publicly held.

There are no cross-participations.

An agreement has been concluded between the Flemish Region and VPM regarding the control of VPM's shareholding in Gimv. Among other things, this agreement states that the persons appointed as directors of VPM shall be proposed by VPM in its turn for appointment as directors of Gimv.

Moreover the Gimv articles of association state that as long as the Flemish Region holds more than 25% of the shares either directly or indirectly, it retains the right to present nominations for the appointment of the five directors, including the chairman, which can, depending on the total number of directors, give rise to a disproportionate representation of one shareholder in the Board of Directors.

No particular rights are attached to the Gimv shares owned by VPM.

Gimv does not have any information regarding other shareholder agreements.

There are no other particular agreements between Gimv and one or more of the shareholders.

All shareholders can address their questions to Kristof Vande Capelle, Chief Financial Officer (tel. +32 (3) 290 22 17, e-mail: [Kristof.vandecapelle@gimv.com](mailto:Kristof.vandecapelle@gimv.com)).

Following documents are among others made available on the website ([www.gimv.com](http://www.gimv.com)) for the benefit of all shareholders: the annual report, the agenda and the resolutions of the annual meeting, the most important half-year results, the coordinated articles of association, press releases, presentations to press and analyst meetings and the presentations of the Investment Platforms.

## **2.2 Capital and shares**

### *2.2.1 Evolution of the capital*

The capital of the company amounts to EUR 241,364,628.63 and is represented by 25,426,672 shares without nominal value. All the shares have the same rights and fractional value and are fully paid up.

All company shares are admitted to trading on the Continuous Market of Euronext Brussels, with share code GIMB, under ISIN-code BE0003699130, Reuters-code Gimv.BR and Bloomberg code GIMB BB.

Apart from the aforementioned shares the company has not issued any securities that on exercise or conversion could have the effect of increasing the number of shares.

### *2.2.2 Dividend policy*

The Board of Directors follows a strategy of proposing to the General Shareholders' Meeting an allocation of profit result in such manner that dividends grow at least in line with inflation, insofar as profit levels permit.

Although the market measures the financial results to a great extent based on the IFRS result (International Financial Reporting Standard), the dividend depends on the results of the statutory accounts. This result of Gimv as an investment company depends on the realised capital gains and losses and write-offs. No guarantee can therefore be given that this dividend policy will be continued unlimited in the future. Each share is entitled to an equal dividend.

### *2.2.3 Authorisations to the Board of Directors*

#### *2.2.3.1 Authorised capital*

The Board of Directors is authorized to increase the capital of the company in one or more installments with an amount which maximum equals the capital for capital increases with application of the preferential subscription right of the existing shareholders; an amount which maximum equals 20% of the capital for capital increases with cancellation of the preferential subscription right of the existing shareholders.

The Board of Directors can exercise this power for a period of five years after the announcement of the amendment of the articles of association decided by the Extraordinary General Meeting of shareholders of 24 June 2020. The Board of Directors used this power for the first time in July 2020 in the context of the optional dividend approved by the Annual General Meeting of June 24<sup>th</sup>, 2020.

The special circumstances in which the Board of Directors can make use of this authorization have been set out in the special report of the Board of Directors of March 17<sup>th</sup>, 2020 in accordance with article 7:199 of the Belgian Companies and Associations Code ("**BCAC**"), which is available on the Company's website.

#### 2.2.3.2 Purchase and disposal of own shares

The Board of Directors is authorized to acquire or pledge its own securities up to a maximum of 20% of the capital at a unit price that may not be less than 20% below the average closing price of the last twenty trading days prior to the transaction and which may not exceed 20% above the average closing price of the last twenty trading days prior to the transaction.

The Board of Directors can exercise this power for a period of five years from the publication in the appendices to the Belgian Official Gazette of the authorization decision of the Extraordinary General Meeting of June 24<sup>th</sup>, 2020.

The company has not yet used the authorization of purchasing its own shares.

### **2.3 General Shareholders' Meeting**

#### *2.3.1 Ordinary and Extraordinary Shareholders' Meetings*

The Ordinary General Shareholders' Meeting takes place annually on the last Wednesday of June at 10:30 am. If that day is a public holiday, the meeting is held on the next working day at the same time.

The Board of Directors or the company auditor convenes an General Shareholders' Meeting whenever the interests of the company require it. Moreover the Board of Directors is obliged to call an General Shareholders' Meeting if shareholders who either alone or jointly hold at least 20% of the company shares request it. Such a request must describe the subjects to be discussed and must be sent to the Board of Directors of the company. The Board of Directors is free to add other items to the agenda in the invitation to the meeting.

The Ordinary and Extraordinary Shareholders' Meetings are held at the venue as mentioned in the invitation.

#### *2.3.2 Agenda*

The Board of Directors establishes the agenda for every General Shareholders' Meeting.

The number of shares a shareholder needs to hold in order to be able to convene a general meeting is set at 10% of the share capital. The number of shares a shareholder needs to hold in order to be able to add items to the agenda of the annual general meeting is set at 3% of the share capital (see 2.3.5).

Notwithstanding this legal threshold the company takes upon itself to consider any reasonable proposal from a shareholder, regardless of the size of his shareholding, to place a particular item on the agenda of the General Shareholders' Meeting, providing that this proposal is communicated in good time (taking into account the legal deadlines for calling meetings) and that the proposal is, in the opinion of the Board of Directors, in the interest of the company and its shareholders.

#### *2.3.3 Invitation to General Shareholders' Meeting*

Gimv seeks to provide its shareholders with full and timely information concerning each General Shareholders' Meeting. Moreover, Gimv encourages the shareholders to personally take part in the General Shareholders' Meeting.

Registered shareholders are invited by letter or via the e-mail address which they have specifically stated in accordance with article 2:32 Belgian Companies and Associations Code at least thirty calendar days before the General Shareholders' Meeting. In addition to the agenda with the detailed proposals for resolutions, they receive all the legally required documents.

The complete agenda of the General Shareholders' Meeting, including the proposals for resolutions, is published at least thirty calendar days before the General Shareholders' Meeting in the Belgian Official Gazette and in a national newspaper.

The company also publishes the aforementioned information on its website ([www.gimv.com](http://www.gimv.com)).

#### 2.3.4 Conditions for access to the General Shareholders' Meeting

Shareholders of the company who wish to attend the annual general meeting can only take part through the securities they hold on the registration date, regardless of the number of securities they will be holding on the actual day of the annual general meeting. The ultimate registration date is the fourteenth (14<sup>th</sup>) calendar day prior to the annual general meeting at midnight (Belgian time).

Each shareholder can participate by one of the three following procedures:

- a) personally attending the meeting

Each shareholder is entitled to personally attend the annual general meeting, subject to fulfillment of the following formalities:

- holders of shares that are registered in the company's shareholders' register, have to inform the Company in writing no later than six calendar days prior to the general meeting of their intention to attend the meeting, either by letter or e-mail. A model confirmation letter is available at the registered offices of the company and on its website ([www.gimv.com](http://www.gimv.com)).
- holders of dematerialised shares have to register their shares no later than six calendar days prior to the general meeting at a branch of KBC or at the registered offices of the company, by way of a certificate issued by their financial intermediary or authorised account holder. This certificate formally states the number of dematerialised shares on the registration date and represents the number of shares with which the shareholder can participate in the general meeting.

- b) voting by proxy

Shareholders can also be represented by a proxy of their own choice, who may or may not be a shareholder of the company. In addition to fulfilling the abovementioned formalities (see a) above), the shareholder must ensure that the company receives the proxy form no later than six calendar days prior to the general meeting, either by regular mail or e-mail ([infogav@gimv.com](mailto:infogav@gimv.com)). A model proxy form is available at the registered offices of the company and on its website ([www.gimv.com](http://www.gimv.com)). This model will also be sent out, together with the notice of meeting to the registered shareholders and to the other shareholders who have fulfilled the aforementioned formalities (see a) above).

- c) voting by correspondence

Finally, each shareholder has the right to vote by correspondence on the items on the agenda. In addition to the abovementioned formalities (supra a), the voting form should contain the shareholder's full and precise identity, the number of shares he participates with in the voting process and the decision of the shareholder on each of the items on the agenda. The shareholder is allowed to clarify and motivate his decisions. In order to be valid, the voting form must be sent to the Company by registered letter with acknowledgement of receipt no later than six calendar days prior to the general meeting. The voting form can also be sent electronically to [infogav@gimv.com](mailto:infogav@gimv.com). A model voting form is available at the registered offices of the company and on its website ([www.gimv.com](http://www.gimv.com)). This model will also be sent out with the notice of meeting to the registered shareholders and to the other shareholders who have fulfilled the aforementioned formalities (see a) above).

### 2.3.5 Additions to the agenda and proposed resolutions

Shareholders who independently or jointly hold 3% of the company's share capital have the right to add items to the agenda of the annual general meeting and to introduce propositions of resolutions, at the latest on the 22<sup>nd</sup> calendar day prior to the general meeting (in accordance with article 7:130 of the Belgian Companies and Associations Code). These propositions can be sent to the company by e-mail ([infogav@gimv.com](mailto:infogav@gimv.com)). The resolutions proposed by the shareholders, if any, will be published on the Company's website. More detailed information relating to article 7:130 of the Belgian Companies and Associations Code can be found on the Company's website.

### 2.3.6 Written inquiries

Shareholders who meet with the conditions to participate in the general meeting, have the right to address the board of directors with their questions relating to its report and the items on the agenda. These inquiries can also be sent to the company's registered offices or by e-mail ([infogav@gimv.com](mailto:infogav@gimv.com)), at the latest six calendar days prior to the general meeting. More detailed information relating to article 7:139 of the Belgian Companies and Associations Code can be found on the Company's website.

### 2.3.7 Course of the General Shareholders' Meeting

All shareholders are of course given the opportunity to ask questions at the meeting to the directors who are present or the auditor. Shareholders may also submit written questions to the chairman of the board in advance of the General Shareholders' Meeting which is presided over by the chairman of the Board of Directors.

### 2.3.8 Voting

Each share gives the right to cast one vote. There are no limitations to this principle: there are no preference shares, no non-voting shares, no multiple voting rights, no limitations on the exercise of voting rights. In addition, each share is entitled to an equal dividend.

Every proposal is accepted if approved by the majority of the votes cast, unless the law stipulates other quorum or majority requirements. Voting during the General Shareholders' Meeting is secret and takes place in writing.

### 2.3.9 Minutes

Minutes are drawn up of every meeting of the General Shareholders' Meeting at the end of the session and signed by the officers of the meeting and the shareholders who so request. The minutes are kept at the registered office of the company and are made available electronically via the company's website ([www.gimv.com](http://www.gimv.com)).

## **3 BOARD OF DIRECTORS: CHARTER**

### **3.1 *Composition, appointment procedure, introduction***

#### **3.1.1 *Composition***

The Board of Directors must comprise at least three members. The articles of association of Gimv do not stipulate any minimum or maximum number of directors.

Gimv strives for a Board of Directors that on the one hand is large enough to allow its members to contribute experience with regard to the knowledge required for Gimv from various, complementary fields and on the other hand small enough to make efficient deliberation and decision-making possible. The size of the Board of Directors must also make it possible to absorb changes to its composition without disrupting its continuity of operations and allows for diversity in profiles.

The nomination committee has defined the competences for which the Board of Directors strives as a whole and for each of the individual directors:



*the Board of Directors as a whole:*

- knowledge of financial markets
- knowledge of company valuation
- knowledge of Private Equity
- experience in leading companies
- international experience
- formulating and implementing strategy
- assessing business plans
- network of contacts with Flemish enterprises
- knowledge of human resource management
- experience in financial reporting

*the individual directors:*

- experience in leading companies
- social standing
- international experience
- good network
- independence of opinion and in relation to participations
- academic education
- independence as supplier
- time available
- interest in Private Equity
- willingness to cooperate
- confidentiality
- unimpeachable conduct
- ethical behaviour and no conflict of interest

These guidelines also form the basis for drawing up the succession plan for directors.

The articles of association furthermore determine the composition of the Board of Directors as follows:

- (i) five directors are appointed from candidates nominated by the Flemish Region (or a company controlled by the Flemish Region) as long as it holds more than 25% of the shares either directly or indirectly;
- (ii) a minimum of three directors are appointed on the recommendation of the Board of Directors because of their independence in accordance with the criteria stated in the corporate governance code referred to in article 7:87 of the Belgian Companies and Associations Code;
- (iii) the remaining directors, including the managing director (infra 5.1.1), are appointed on the recommendation of the Board of Directors from candidates not nominated by the Flemish Region or a company controlled by the Flemish Region.

The Board of Directors currently consists of twelve members. Only the managing director has an executive function. The remaining directors are non-executive directors and on the one hand consist of the five directors appointed from the candidates nominated by VPM and on the other hand of six independent directors, who all meet the independence criteria set out in the Code 2009. Consequently, the majority of the members of the Board of Directors of Gimv are directors who are independent from VPM, which ensures a balanced composition.

Each director's mandate that the chairman or managing director accept, is submitted to the Board of Directors for approval.

It is ensured that none of the directors exercises more than five directorships in listed companies.

### *3.1.2 Appointment procedure*

When a mandate of director unexpectedly becomes vacant, the remaining directors have the right to temporarily fill the vacancy, until the next General Shareholders' Meeting. The newly appointed director completes the mandate of the director he or she is replacing. However if a director resigns, the Board of Directors shall nevertheless be able to deliberate validly as long as the replacement mandate for the resigning director has not been filled.

For important decisions regarding (re)appointments (independent directors, end of mandate of several directors, etc.) the remaining Board of Directors is evaluated and compared, on the basis of the required competences for the total Board of Directors (see supra 3.1.1) with the skills, knowledge and experience required by Gimv. Then, on this basis, suitable, unimpeachable candidates, who comply with the profile of individual director are sought.

When proposing new candidate-directors or the reappointment of an existing director, the Board of Directors strives for a good balance between the necessary continuity on the one hand and on the other hand the need for sufficient rotation within the Board of Directors. The nomination committee ensures that a sufficiently large and balanced list of candidate directors is submitted. The nomination committee has the exclusive right to propose the independent directors (cfr. infra sub 3.1.3 for the independence criteria). The proposals will be presented to the board of directors for approval.

The ultimate decision on the appointment of one or more directors is taken by the general meeting with a majority of the votes cast, in which abstentions are not counted. To be able to assess the profile of the nominated candidates, the following information is provided to this Shareholders' Meeting: the *résumé* of each candidate, a list of the current director's mandates, any information required to assess the independence of the candidate concerned and the opportunity to ask questions.

### *3.1.3 Independence criteria*

The independent directors (minimum three) must primarily meet the criteria set out in the corporate governance code referred to in article 7:87 of the Belgian Companies and Associations Code.

Independent directors must notify the nomination committee if they no longer fulfil one or more of the legal or additional independence criteria during the execution of their mandate. The nomination committee assesses whether the person involved should resign voluntarily or if a continuing membership is justified, considering the circumstances.

### *3.1.4 Duration of the mandate*

In principle, directors are appointed for a period of four years.

The age limit for the mandate of a director is 70. In the event a director turns 70 during the course of his or her mandate, such director will be able to complete the term for which he or she was appointed.

### *3.1.5 Introduction and orientation program for new directors*

The chairman of the Board of Directors, together with the secretary of the Board of Directors, ensures that newly appointed directors receive an appropriate introduction in order to facilitate their effective contribution to the Board of Directors. The introduction is intended to make the parties involved more familiar with the existing policy, strategy, financial situation, day-to-day management, external audit and systems of internal control as well as the main challenges of the company in this regard. Therefore, discussions and presentations are organised between the newly appointed directors and the chairman, the managing director and each member of the executive committee.

## **3.2 Powers**

The Board of Directors is the highest management body and has governance authority to the fullest extent, with the exception of the powers that are by law and by the articles of association reserved for the General Shareholders' Meeting. The Board of Directors controls the company as a corporate body, establishes the strategy, exercises supervision on the day-to-day management and the executive committee and is accountable for that towards the General Shareholders' Meeting.

The essential responsibilities of the Board of Directors can be summarised as follows:

- approving, evaluating and planning of the long-term objectives, the main lines of policy and the strategy to be followed;
- directing, adjusting and evaluating the performance of Gimv in relation to the set strategic objectives, planning and budgets;
- approving the main investments and divestments for amounts over 7.5 million EUR;
- approving and evaluating the structure, powers and the obligations of the day-to-day management and adequate identification of the managing director and of the members of the executive committee;
- supervising the performances of the managing director and the executive committee;
- approving and evaluating the remuneration policy for the managing director and the executive committee;
- maintaining a continuous interaction and dialogue in a climate of trust and respect with the managing director in which sufficient autonomy is given to the managing director to allow him to fulfill his duties appropriately;
- approving and evaluating the global organisation structure;
- approving and evaluating the allocation of the main means through budgeting and budgets;
- approving and evaluating the composition, competences and operation of the advisory committees as stipulated in the various charters and approving the remuneration;
- establishing and evaluating the financial and operating results and processing these in the formal financial accounts;
- approving and evaluating the existing internal systems of supervision, the main features of which are being disclosed in the Corporate Governance Statement in the Annual Report;
- preparing all decision to be presented at the General Shareholders' Meeting, including a timely disclosure of financial and non-financial information to (potential) shareholders;
- supervising the activities and the independence of the company auditor and the systems of internal control.

The Board of Directors has the authority and duty to use effective, essential and proportional means to carry out its duties appropriately. It is collectively responsible for the appropriate allocation of resources.

The directors are subject to strict deontological standards. This entails among other things a regulation concerning conflict of interests and a Code of Conduct which on various points is even more stringent than the prevailing legislation (infra 6).

### **3.3 Operation**

In principle, the Board of Directors meets every month, except in August. If necessary, additional meetings are arranged.

The meetings of the Board of Directors are held either physically at the place indicated in the convening notice or remotely by means of teleconference or videoconference using telecommunication techniques which allow the directors participating in the meeting to hear each other simultaneously and to consult with each other simultaneously or a combination of the two aforementioned meeting techniques in which some directors are physically present at the meeting and some directors participate in the meeting by teleconference or videoconference.

A director, who is unable to attend a meeting, may grant a special proxy to another director, provided that each director may only represent one other director.

Decisions are taken by simple majority of the votes cast. In case of a tie vote the chairman has the decisive vote. In practice the Board of Directors acts by mutual consultation and takes decisions by consensus. In the legally authorised circumstances, the Board of Directors may apply the procedure for written decision-making.

Prior to any meeting (generally at the latest four days in advance) the members of the Board of Directors receive an agenda for the meeting, together with all relevant documents to prepare for the various points

on the agenda. The invitation to the meeting is delivered to the directors electronically, as well as by regular mail. The directors have access to the electronic version of this documentation with regard to the items on the agenda: this makes it possible for them to archive and consult the documents of the Board of Directors in an easier manner and to manage them more efficiently.

The managing director provides the Board of Directors with the following information:

- on a permanent basis: press releases, unforeseen and exceptional events that could have a significant effect on the company's position;
- at every ordinary meeting of the Board of Directors: status of the treasury, important developments or events in participations that could have a significant impact on the company's position, investments and divestments, special risks to which Gimv is or may be exposed;
- quarterly: developments in the portfolio and in participations, developments in the market and the *dealflow*, the limited consolidation and accounting of the company;
- half-yearly: interim company and consolidated results with limited verifications by the auditors, both of the company and its subsidiaries, an evaluation of the annual budget, if applicable with proposals for adjustment;
- yearly: the annual company and consolidated results with complete verifications by the auditors, reporting on the personnel management and human resources implemented by the company, evaluation of the activities of the Investment Platforms and the execution of the company strategy.

If requested, the managing director provides the Board of Directors with the necessary explanation at the meeting, assisted by the secretary of the Board of Directors and the Chief Financial Officer, who are, in principle, invited to every meeting with an advisory vote. The other members of the Executive Committee may be invited by the chairman, the managing director or the Board of Directors to be present for specific points on the agenda with an advisory vote.

Directors have full and free access to the managing director and to all employees of Gimv. However, all meetings or contacts which a director wishes to set up, have to be organized through the chairman of the Board of Directors, the managing director or the secretary of the Board of Directors.

The Board of Directors and each individual director have the power, in consultation with the chairman, to make an appeal, in the interest of the company, to independent experts or advisors at the expense of the company.

A joint meeting of the Board of Directors and the Executive Committee is organised at least once a year.

The secretary of the Board of Directors assists the directors and gives them advice concerning the execution of their mandate, explains the rights and duties of the company and ensures that proper minutes are kept. The secretary of the Board of Directors ensures, under the direction of the chairman, good information flow within the board and its committees and between the executive management and the non-executive directors. The secretary of the board reports regularly to the board on procedures, rules and regulations and how they are being followed and complied with.

In preparation of certain decisions, the Board of Directors is assisted by the audit & risk committee, the remuneration committee and the nomination committee.

### **3.4 Role of the Chairman**

In accordance with article 14 of the articles of association, the Board of Directors elects the chairman among the directors appointed by the Flemish Region, or by a company controlled by the Flemish Region, as long as it holds more than twenty-five percent (25%) of the shares in Gimv (supra 2.1).

The chairman chairs the Board of Directors and acts as an intermediary between the shareholders, the Board of Directors and the day-to-day management of the company. He/she ensures that the Board of Directors functions in an efficient and effective way. The chairman has a close relationship with the managing director, providing support and advice.

The chairman has the following responsibilities:

- He/she takes all initiatives, creates relevant policy instruments and gathers all the information required in order of the Board of Directors being able to carry out its duties (supra 3.2) effectively and independently; he disposes of the necessary resources in this respect; and has the material resources available for this;
- He/she ensures the optimal composition of the Board of Directors. He/she takes the initiative and directs appointments or reappointments;
- He/she ensures and plans the internal evaluation of the Board of Directors;
- He/she plans and sets the schedule for the various meetings of the Board of Directors;
- He/she sets the agenda of the Board of Directors in consultation with the managing director and chairs the meetings;
- He/she ensures that the preparatory material is provided to all directors in good time, accurately and in the correct form;
- He/she plans and sets the schedule for the various meetings of the Board of Directors;
- He/she sets up the agenda of the Board of Directors in consultation with the managing director and chairs the meetings;
- He/she ensures that the preparatory material is provided to all directors in good time and accurately and in the correct form;
- He/she ensures the quality of the permanent interaction and dialogue at the level of the Board of Directors; he ensures that all the directors are given a fair chance to speak and that decisions are taken unanimously where possible, in an atmosphere of mutual trust;
- He/she ensures a permanent dialogue between the directors and the managing director and the executive committee;
- He/she ensures that the new members receive an appropriate orientation program that fulfills their needs and that permanent training is provided for the members of the Board of Directors;
- He/she chairs the General Shareholders' Meeting and ensures during the General Shareholders' Meeting that the shareholders can ask questions to the directors, the managing director and the company auditor.

### **3.5 Evaluation**

On a regular basis, the chairman organises individual interviews with directors based on a questionnaire which is made available in advance. In addition, written surveys are organised. The following items are included in the questionnaire and in the surveys:

- availability of adequate and detailed information, timely availability of the information, complete and prompt answers by the management on questions;
- sufficient opportunity for an open discussion within the Board of Directors, in which all viewpoints can be put forward, where discussions are guided in order to reach clear decisions;
- sufficient participation of each individual director in the discussions and sufficient contribution of the specific expertise of each director in the discussions;
- effective leadership by the Chairman of the meetings, is everyone given a fair chance to speak, and conformity of the decisions with the discussions and consensus of the directors.

Reports on the outcome of these individual questionnaires and surveys are drawn up and presented to the Board of Directors. During the discussion of this report, individual directors can comment on the consequences, and conclusions may be drawn for the operation and leadership of the Board of Directors.

### **3.6 Representation**

The Board of Directors represents the company as a corporate body ('college'). Next to that the power of representation falls to the chairman, acting together with another director or to the managing director within the framework of the day-to-day management. In addition the Board of Directors or the managing director, respectively, can grant representative powers within the scope of their competences.

## **4 ADVISORY COMMITTEES WITHIN THE BOARD OF DIRECTORS**

An audit & risk committee, remuneration committee and nomination committee have been set-up within the Board of Directors. The committees have an advisory role in relation to the Board of Directors and assist it in the specific areas on which they give advice. However the decision-making authority remains the collective responsibility of the Board of Directors.

Each committee comprises a minimum of three members. They are appointed by the Board of Directors (with the exception of the chairman of the audit & risk committee) for a period that does not exceed the (remaining) duration of the director's mandate. In composing the advisory committees, the Board of Directors takes into account the needs and qualifications for an optimal operation of the committee concerned. Moreover it ensures that the independent directors are able to provide effective input.

The Board of Directors supervises the advisory committees. The Board defines the tasks, composition and work method of the committees and establishes this in their charters.

Each committee is given the resources required to fulfill its task properly and may be assisted by external advisors. The committee justifies its activities and use of resources to the Board of Directors in a report. The chairman of each committee decides on the frequency and duration of the meetings, in consultation with the other members and in relation to the duties of the committee. A committee can only meet validly if at least half of the members are present.

The committees always strive to provide unanimous advice. If it is not possible to take a decision unanimously, the various points of view will be presented to the Board of Directors.

#### **4.1 Audit & risk committee: charter**

##### *4.1.1 Composition*

The members of the audit & risk committee are all non-executive directors. The Board of Directors ensures that the audit & risk committee is composed with sufficient balance in commitments and skills.

The meetings of the audit & risk committee are moreover attended by the managing director and the *chief financial officer*. At least once a year the audit & risk committee will meet with the company auditor in the absence of all other persons with a view to the verification of its advice to the Board of Directors concerning the annual report and annual accounts.

The chairman of the Board of Directors cannot also be the chairman of the audit & risk committee, but he can be a member of it. The members of the audit & risk committee appoint the chairman of the audit & risk committee.

##### *4.1.2 Authority*

The audit & risk committee ensures the group's accounting process and financial reporting. On the one hand it ensures that there are adequate internal controls of compliance with the legal and regulatory requirements and it supervises the quality of these controls. On the other hand it safeguards the quality and independence of the company auditor.

More particularly the audit & risk committee has the following powers:

- Financial reporting

The audit & risk committee ensures that the financial reporting of the company gives a truthful, complete and consistent image of the group. In particular the audit & risk committee supervises the annual and periodical financial information before it is made public. It investigates all questions of an accounting nature, including issues of valuation in consultation, together with the company auditor. The audit & risk committee ensures that the accounting standards and valuation rules are complied with correctly and consistently. If necessary the audit & risk committee makes recommendations for amending these rules. In addition to special topics the audit & risk committee also analyses on an ongoing basis the current legal and tax disputes, as well as the off-balance sheet obligations and this on the basis of internally and externally prepared reports.

- Internal control and risk management

At least once a year the audit & risk committee assesses the internal control and risk management systems set-up by management, in order to ensure that the major risks (including the compliance risk with legislation and regulations) are identified, managed and acknowledged. It checks the statements concerning internal control and risk management included in the annual report. The committee also checks the specific regulations so that staff can express their concerns in confidence regarding possible inaccuracies in the financial reporting or other matters. If necessary, steps will be taken for appropriate and independent investigation into such matters, in proportion to the severity, and the committee ensures that these are followed-up and that staff members have direct access to the chairman of the audit & risk committee.

- Internal audit procedure

Gimv does not have a separate internal audit function. The evaluation of the systems of internal control is embedded in the financial department and the external audit. External parties are also called in on a thematic basis to obtain specialized advice regarding specific risk domains. The main systems of internal control are linked to the management of the portfolio and are mainly transaction related. From the central functions point of view, a thorough substantive control is carried out on the transactions initiated by the investment teams. This second-line audit is supplemented by an external audit.

- External audit procedure

The audit & risk committee gives recommendations concerning the selection, appointment and, if applicable, reappointment of the company auditor and concerning his remuneration and other conditions of his appointment. In case of the external audit it has been decided in principle to have one and the same auditor for the entire Gimv group.

The audit & risk committee safeguards the independence of the company auditor. In accordance with the legal stipulations concerning the nature and scope of the prohibited/authorised side services, the audit & risk committee requests a report from the company auditor in which all the links he has with the company and the group are explained. The committee has drawn up a policy statement in which it divides the types of non-audit services into (i) services that are excluded in any event, (ii) services that are only permissible after investigation by the committee and (iii) services that are permissible in any event. In deviation to the advisory role of the audit & risk committee, it has a decision-making authority regarding deviations to the legally provided 70% rule.

In view of the observance of the 70% rule Gimv applies the following procedure:

- the additional legal tasks assigned to, as well as the other services provided by the company auditor and the companies with which he has links or a form of co-operation, are subject to a strict approval procedure by the audit & risk committee;
- furthermore, Gimv inquires with the companies in which she holds more than 50% of the shareholding and their auditor, whether the auditor of Gimv has carried out tasks for them during the past financial year. Management of Gimv is after all usually not involved in the choice of service provider at the occasion of assigning tasks in portfolio companies;
- the company auditor also has internal systems which should allow him to timely detect conflicts of interest. Gimv can of course not give any guarantee about the accuracy and completeness.

Finally, Gimv has in this context laid down a specific procedure whereby the audit & risk committee authorises the managing director to decide upon such deviations and report about this to the audit & risk committee.

The audit & risk committee must be informed in good time of any possible problems that may have arisen during the activities of the auditor. The audit & risk committee investigates the effectiveness of the external auditing procedure and the way in which the management implemented the recommendations of the company auditor in their management letter. The audit & risk committee shall investigate problems that give rise to the voluntary resignation of the company auditor and must formulate recommendations relating to the response to be given.

#### 4.1.3 Operation

The audit & risk committee meets at least quarterly to review the quarterly results, the half year results and the annual results.

The company secretary exercises the position of secretary of the audit & risk committee.

The audit & risk committee can at all times ask the managing director and the company auditor for special reports regarding all aspects of the company and all useful documents and information, and carry out any inspection it deems necessary.

#### 4.1.4 Evaluation

On a regular basis, and at least every three years, the audit & risk committee reviews its terms of reference and its own effectiveness and recommends any necessary changes to the board.

### 4.2 Remuneration committee: charter

#### 4.2.1 Composition

Members of the remuneration committee are all non-executive directors of which the majority is independent (in accordance with article 7:100, §2 of the Belgian Companies and Associations Code). The chairman can either be the chairman of the Board of Directors or another non-executive director.

The meetings of the remuneration committee are furthermore attended by the managing director and the secretary of the Board of Directors, unless it relates to deliberations concerning their own remuneration.

#### 4.2.2 Authority

The principal task of the remuneration committee is to make proposals to the Board of Directors regarding the remuneration policy and the individual remuneration of members of the Board of Directors, the managing director and other members of the executive committee.

In particular the remuneration committee advises the Board of Directors in relation to:

- the general guidelines and budgetary provision for the company's remuneration policy;
- how to work out, monitor and maintain a fair remuneration package for the managing director and the other members of the executive committee, in proportion to their contribution to the operation and success of the company, including bonuses and long-term incentive programmes;
- how to work out, monitor and maintain a fair remuneration package for the non-executive directors, including the chairman.

The remuneration committee advises the Board of Directors with a view to setting up and implementing a remuneration policy which is consistent with the general remuneration framework of the company and which aims to (i) attract, reward and retain the necessary talent, (ii) stimulate the strategic objectives taking into account the company's risk appetite and standards of conduct and (iii) promote sustainable value creation.

The remuneration committee is responsible for the annual remuneration report, which the Board of Directors approves of as a chapter in Gimv's annual report and in which the application of the remuneration policy during the past financial year is reported. The chairman of the remuneration committee annually explains the remuneration report to the Annual General Meeting. The remuneration report is submitted to the Annual General Meeting for approval by separate vote (in accordance with article 7:149 §3 of the Belgian Companies and Associations Code)..

#### 4.2.3 Operation



The remuneration committee meets at least twice per annum and also whenever a member of the committee requests so from the chairman.

The company secretary exercises the position of secretary of the remuneration committee.

#### *4.2.4 Evaluation*

On a regular basis, and at least every three years, the remuneration committee reviews its terms of reference and its own effectiveness and recommends any necessary changes to the board.

### **4.3 Nomination committee: charter**

#### *4.3.1 Composition*

The members of the nomination committee are all non-executive directors and in majority independent directors. The chairman can either be the chairman of the Board of Directors or another non-executive director.

#### *4.3.2 Authority*

The nomination committee ensures an objective and professional management of the appointment procedure.

For this the nomination committee shall evaluate the size, composition and follow-up planning of the Board of Directors at regular intervals, adapt the procedure for appointing directors insofar as necessary and nominate candidates for appointment or reappointment.

The decisions on the appointment of members of the executive committee are taken by the Board of Directors on recommendation of the managing director and taking into account the recommendations of the nomination committee.

The Board of Directors of Gimv contains five directors who have been nominated by VPM and who are also directors of VPM. The nomination procedure for these directors therefore deviates from the procedure that applies to the other directorships and therefore also from recommendation 4.1 of the Code 2009. The Board of Directors of Gimv has no direct influence on the appointment procedure or selection criteria for the directors nominated by VPM. This situation is inherent to Gimv's shareholding (and the management agreement between VPM and the Flemish Region). This is a reality which Gimv should take into account. Nevertheless, during the nomination VPM ensures a good balance between and complementarity within the profiles of the directors.

#### *4.3.3 Operation*

The nomination committee meets whenever necessary. The chairman of the Board of Directors may not chair the meeting of the nomination committee when it relates to the appointment of his successor. He/she may, however, be present at the discussion.

The company secretary exercises the position of secretary of the nomination committee.

#### *4.3.4 Evaluation*

On a regular basis, and at least every three years, the nomination committee reviews its terms of reference and its own effectiveness and recommends any necessary changes to the board.

## **5 DAY-TO-DAY MANAGEMENT**

### **5.1 *The operational day-to-day management***

#### **5.1.1 *Managing director***

The Managing director is entrusted, within the framework of the general lines of policy defined by the Board of Directors, with the day-to-day management of the company. The managing director is also entrusted with the execution of the decisions of the Board of Directors and can represent on his own the company within the limits of the day-to-day management.

The managing director is also entrusted with the company's human resources policy:

- he ensures that the company has staff available to execute its strategy. He is also responsible for their training and for personal development. The managing director has in particular the authority to recruit, promote, dismiss and make agreements concerning the remuneration of individual members of staff, all this within the framework of the general remuneration policy.
- the managing director has furthermore the duty to draw up and carry out the annual budget, comprising an operational budget, an investment and divestment budget and an estimate of the anticipated profits. He indicates how the investment and divestment budget fits within the investment strategy established by the Board of Directors, in particular in relation to portfolio allocation and cash planning. The annual budget is submitted for approval to the Board of Directors in March as part of the annual update of the medium-term plan (MTP).

In order to make an adequate operational management possible the managing director is assisted in the execution of his duties by an executive committee, which operates under his exclusive responsibility.

He can also set up specific committees, under his responsibility, to which he can delegate specific authorities. The managing director ensures that the Board of Directors and the committees set-up by himself, through their respective chairmen, have the relevant information in due time to realise their duties appropriately.

The managing director informs the chairman of investment and divestment projects, events that may influence the strategy, market position and liability of the company, any interesting developments in participations and the decisions that should be taken in that regard. The chairman can make his point of view known and, if applicable, notify the Board of Directors. The chairman can attend the meetings of the executive committee and the investment committee, when he deems it useful to complement his information.

#### **5.1.2 *Executive committee***

In addition to the managing director, the executive committee consists of the chief financial officer, the chief legal officer and the Investment Platform Heads.

In principle, the executive committee meets once every two weeks and also whenever convened by the managing director.

The executive committee advises the managing director and supports him in the fulfilling of the following tasks:

- running the company;
- setting up internal controls, based upon the framework approved by the board and under its supervision;
- preparing complete, timely, reliable and accurate financial statements of the company for the board, in accordance with the applicable accounting standards and policies of the company;
- preparing the company's required disclosure of the financial statements and other material financial and non-financial information;
- presenting the board a balanced and understandable assessment of the company's financial situation;
- providing the board in due time with all the information necessary to enable the board to carry out its duties;

- being responsible and accountable to the board for the discharge of its responsibilities.

## **5.2 Investment and divestment decisions**

In consultation with the managing director, the Board of Directors determines the investment strategy with regard to:

- the preferred product markets and geographic markets, sectors and technologies for investment;
- the financing techniques used to this end;
- the preferred general profiles of target companies;
- the general features of deal structures.

Within this investment strategy, investment and divestment decisions are made as follows:

- by the investment committee of Gimv for initial investment amounts below 7,5 million EUR and for follow-on investments up until 11,25 million EUR;
- by the Board of Directors of Gimv for initial investment amounts above 7,5 million EUR or if the total investment amount pursuant to follow-on investments exceeds the threshold of 11,25 million EUR and this on recommendation of the investment committee;
- by the investment committee of Gimv for additional investments in files which were previously approved by the Board of Directors up to a maximum of 10% of the invested amount without that amount being higher than 3 million EUR (in case of higher amounts, the approval of the Board of Directors is required again);
- decisions on divestments are being taken by the same body that approved the last investment.

The investment committee of Gimv consists of the managing director and the Investment Platform Heads, each with casting vote, and the Chief Financial Officer and the Chief Legal Officer, each with an advisory vote. The managing director always has a veto right.

## **5.3 Determination of the remuneration policy**

Following the advice of the remuneration committee, the Board of Directors, in consultation with the managing director, establishes the principles of the remuneration policy (such as the general level of, the ratio between and the evolution of the fixed remuneration, the short-term incentive and the long-term incentive plan).

The authority regarding the implementation of this remuneration policy is arranged as follows:

- the Board of Directors decides on the fixed remuneration and the short-term incentive of the managing director, as well as on his participation in the long-term incentive plan, and this following the advice of the remuneration committee;
- the Board of Directors also decides on the remuneration of the other members of the executive committee and this on recommendation of the managing director and following the advice of the remuneration committee;
- the Board of Directors further determines the remuneration policy in which the managing director decides on the remuneration of the other employees.

## **6 DEALING CODE & CODE OF CONDUCT**

Gimv implemented a 'Gimv Dealing Code' and 'Gimv Code of Conduct', which are both applicable to the directors and all (temporary) employees of Gimv and its subsidiaries. Both documents can be consulted on the website of Gimv ([www.gimv.com](http://www.gimv.com)).