

APPENDIX 1 - INTERNAL RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The latest version of the Internal rules of procedure of the Board of Directors was adopted by the Board of Directors on 26 March 2020.

1. TERM OF OFFICE

The General Meeting of Shareholders determines the term of the mandate of the Directors.

A Director may not be awarded a mandate that lasts longer than six years. Usually, the term of a Director's mandate is set at three or four years. Directors are eligible for reappointment. The mandates of departing Directors who are not re-elected shall expire immediately after the annual General Meeting of Shareholders. If a position of Director becomes vacant, the remaining Directors are entitled to provisionally fill the vacancy. In this event, the General Meeting will proceed with the definitive election at its first following meeting. The new Director so appointed will serve for the remaining term of the Director whom he/she replaces, unless the General Meeting of Shareholders decides otherwise.

Any Director, whose mandate is about to expire, shall be informed six months in advance by the Chair who will invite him/her, if this Director wishes to renew his/her mandate and provided he/she has not reached the age limit, to submit his/her application informally no later than one month before the Board meeting that precedes the General Meeting of Shareholders convened to decide on this renewal.

Within the Company, the same physical person may not hold the position of Director both in a personal capacity and in the capacity of permanent representative of a legal entity elected as a Director. In addition, the same physical person may not be the permanent representative of more than one legal entity elected as a Director.

2. AGE LIMIT AND GENDER DIVERSITY

The Board of Directors has set, as a general rule, an age limit of 70 years. It also has the power to waive this limit on a case by case basis.

According to Article 7:86 of the Companies Code, at least one third of the Board members must be of the opposite gender.

3. REMUNERATION

Members of the specialised Committees of the Board of Directors are entitled to attendance fees equal to EUR 3,500 per meeting for the chair of a Specialised Committee of the Board of Directors and EUR 2,500 per meeting for the other members of such specialised Committees.

Pursuant to Article 36, third indent of the Articles of Association, each year 3% of the total annual net dividends shall be distributed as directors' fee. The attendance fees are deducted from the total directors' fee and the remainder of the directors' fee is divided amongst the Directors. Each Director is entitled to an equal portion of the directors' fee, with the exception of the CEO who is not entitled to any directors' fee and the Chair and the Vice-Chair who are respectively entitled to 2x and 1.5x the amount of the directors' fee received by the other members of the Board of Directors. The honorary mandated Directors are not remunerated unless otherwise decided by the Board of Directors following a recommendation of the Remuneration Committee.

Board members are not paid in shares of the Company. Nevertheless, the Board of Directors invites each of them to invest an amount equal to approximately one year of Director's fees in Sofina shares within two years of their appointment and to keep them at least one year after the end of their mandate.

4. FREQUENCY OF MEETINGS AND CONVENING NOTICE

The Board of Directors meets as frequently as required by the interest of the Company. The Board generally determines the calendar of Board meetings one year in advance, after the preferences of each Director are recorded and taken into account. Convening notices can be sent by letter, e-mail or through a digital platform. The meeting is convened by the Chair and at his initiative or, if the latter is unavailable, by the Vice-Chair or, if the latter is unavailable, by the CEO. It can be convened at any time, if requested by a quarter of the Directors.

Except in exceptional circumstances, all Directors shall receive, before the meeting, the agenda of the Board meeting and any other documents that may be required in order to prepare for this meeting. In the event of the Chair being absent or unavailable, the Board of Directors shall be chaired by the Vice-Chair or, if the latter is unavailable, by the CEO. If all three of the above are absent or unavailable, the Board of Directors shall be chaired by a Director designated by the majority of those of his/her colleagues present at the meeting. The Board of Directors usually meets at the head office of the Company. The meeting may, however, be convened at an alternative venue in Belgium or abroad or be held using any telecommunication means permitting joint discussion, such as conference call or video conference.

5. DELIBERATIONS AND VOTES

The Board of Directors operates according to a collegial approach.

The Board of Directors can only validly deliberate if the majority of its members are present or represented. The quorum shall be calculated without taking into account the Directors who, pursuant to Article 7:96, §1, last paragraph of the Companies Code are conflicted and thus excluded from taking part in the discussion and the vote.

If insufficient Board members are present at a meeting, the Board of Directors may deliberate the agenda items of that meeting at a second meeting convened within fifteen days at the latest, irrespective of the number of members present.

Board resolutions may be approved by unanimous written consent of the Directors, without holding a physical meeting. In circumstances of this nature, an email or a document sent through a digital platform bearing the signature of the Director, from whom it originates, shall constitute written notice. In cases of extreme urgency, the Directors shall be consulted individually by telephone or e-mail, while any decisions taken concerning the subject of this consultation shall be deferred to the following Board meeting.

The Board of Directors may, at a General Meeting of Shareholders and without having been convened for this purpose, decide to postpone the latter, regardless of the number of members present or represented.

Each of the Directors may by ordinary letter, email or through a digital platform grant another member of the Board of Directors the authorisation to represent him/her and vote on his/her behalf at a specific meeting of the Board of Directors. No Director may represent more than two Directors. The decisions of the Board of Directors are taken by a majority of the votes expressed by members who are present or represented. In the event of a tied vote, the vote of the person who chairs the meeting shall be decisive.

6. MINUTES

Except in the circumstances of a conflict of interest, the name of any Director who abstains from or opposes a majority decision of the Board of Directors shall only be included in the minutes at the express request of the interested party. The minutes of Board meetings summarise the discussions and decisions taken and indicate, if appropriate, any potential reserve expressed by the Directors. They are signed by at least half the members who took part in the deliberation. The proxy forms of the represented members are filed in the Company's archives. Copies or extracts from these minutes, which may be presented in court or elsewhere, are signed either by the Chair, the Vice-Chair or by two Directors.

7. DISCRETION AND CONFIDENTIALITY

The work and decisions of the Board are covered by an obligation of discretion and confidentiality for the Directors. This does not apply to matters concerning the general development of the Company, with regard to which Directors, who are non-independent due to their links with reference shareholders of the Company, are authorised to communicate with the board of directors of these shareholders' companies, subject to compliance with the Company's Dealing Code. The Chair and the CEO shall expressly draw the attention of the Directors to the confidentiality commitments entered into by the Company with regard to matters of which the Board may become aware.

8. CONFLICTS OF INTEREST

The Directors owe their duties towards the Company as whole, hence each Director should serve the interests of the Company, taking into account the proper interests of all its present and future shareholders, and place it above their own.

The Directors have the duty to look after the interests of all shareholders on an equivalent basis. Each Director should act according to the principles of reasonableness and fairness. When the Board takes a decision, Directors should disregard their personal interests.

Without prejudice to the provisions on conflicts of interests contained in article 7:96 of the Companies' Code, each Director shall inform the Chair without delay of any conflict of interests regarding items on the agenda, that could in his/her opinion affect its capacity of judgement. In particular, at the beginning of each Board or Specialised Committee meeting, Directors should declare whether they have any conflict of interests regarding the items on the agenda. The concerned Director(s) may attend the deliberation but shall not take part in the vote on the matter in question. The concerned Director(s) shall disclose to the Board any links it/they may have with counterparties in any potential transactions before any deliberation of the Board of Directors on the matter, it being understood that the Board may request the opinion of a specialist, if it considers this to be necessary before taking its decision.

Each Director must, in particular, be attentive to any conflicts of interests that may arise between the Company, the Directors, the reference shareholder and the other shareholders. The Directors who are proposed by the reference shareholder should ensure that the interest and intentions of this shareholder are sufficiently clear and communicated to the Board in a timely manner.

The Board should act in such a manner that a conflict of interests in such a way that any conflict of interest or appearance of the same with the Company or the Group is avoided. In the possible case of a conflict of interests, the Board should, under the lead of the Chair, decide which procedure it will follow to protect the interests of the Company and all its shareholders. In the next annual report, the Board shall explain why they then chose this procedure. However, where there is a substantial conflict of interests, the Board shall carefully consider communicating as soon as possible on the procedure followed, the most important considerations and the conclusions.

When the Board takes a decision, Directors should disregard their personal interests. They should not use business opportunities intended for the Company for their own benefit. The Directors must not mention or use their position as Director of the Company in order to secure, either directly or indirectly, benefits of any nature. However, if a Director, outside of his role as a Director of the Company, is informed of a business opportunity that may be of interest to the Company and one (or more) other company/companies, in which he has interests, he is free to use this information at his earliest convenience. If appropriate, he may provide the Company with this information, while requesting that it restricts its intervention to the limits that he/she indicates.

If a Director directly or indirectly has a financial interest that conflicts with the Company's interest regarding a decision or transaction that falls within the powers of the Board, the legal procedure set out in Article 7:96 of the Companies Code shall then be applied. In that case, the conflicted Director may not take part in the deliberation and must abstain from taking part in the vote on the matter in question.

Any potential transactions between the Company and its Directors, or between the Company and external parties that are closely linked to the Directors (companies, of which they are shareholders, Directors, employees, officers, associates, etc.) are always concluded under market conditions ("at arm's length"), whether or not they fall within the scope of the applicable legal provisions.

The Directors are bound by both the Company's Code of Conduct (see [Appendix 6](#)) and Dealing Code (see [Appendix 7](#)).

9. POWERS AND RESPONSIBILITIES

The Board of Directors has the power to take all steps that are necessary or useful in relation to the corporate purpose, except for those that the law or by-laws restrict to the General Meeting of Shareholders. The Directors do not enter into any personal obligations by virtue of their positions. They are only accountable for the execution of their mandates, according to applicable laws.

Except for the daily management, which the Board has assigned to the CEO assisted by the Executives, and responsibilities assigned to the Specialised Committees of the Board of Directors, there is no distribution of tasks between the Directors.

The Board members are covered by a specific "Director & Officer" insurance policy.

10. REPRESENTATION

Under all circumstances, the Company is bound by the signature of two Directors who, in relation to third parties, will not be required to justify any prior deliberations of the Board of Directors.

The Board of Directors may delegate to any other persons, whether or not they have been appointed amongst its members, the power to provide one of these signatures. A circular is published in the "Annexes au Moniteur Belge" (Annexes to the Belgian National Gazette) on a regular basis. It includes the list of authorised signatories.

The Board of Directors may also assign to any other persons the power to sign, either independently or jointly with others, documents that are binding for the Company, within the limits that it considers appropriate.

The Company is represented in court, both as a claimant and defendant, by two Directors acting jointly or by the same people as described in the list of authorised signatories.

11. HONORARY DIRECTORS

The Board of Directors may grant to a former Director the title of Honorary Director, Honorary Chair or Honorary Vice-Chair.

This title is restricted to Directors who have provided the Company with important services. The Chair may, when he deems it useful, invite these Honorary Directors or some of them, to attend Board meetings on a consultative basis, subject to the conditions of discretion and confidentiality described in Section 7 of these rules of procedure.

If there are Honorary Directors, their mandate is not remunerated. Nevertheless, for specific reasons, the Board of Directors might determine, in order to distribute between them, in compensation for services that they continue to provide, a remuneration to be deducted from the fee described in Section 3 (above). This amount is then indicated in the annual report for the financial year. The Honorary Directors do not have any term of mandate.

The Board of Directors may, at any time and without justification, decide that an Honorary Director is no longer entitled to this status and its associated benefits.

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