



# Rules for the Executive Board

Of B&S Group S.A.

These Rules were adopted by the Executive Board on March 9, 2018  
and approved by the Supervisory Board on March 9, 2018



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Please note that due to the fact that legislation and regulations may change, this document may be amended from time to time by the Executive Board, with the approval of the Supervisory Board.

## 1. Definitions

The words and expressions used in these Rules have the following meaning:

- **“Articles of Association”**: the articles of association of the Company;
- **“Audit Committee”**: the audit committee of the Supervisory Board;
- **“CEO”**: the Chief Executive Officer of the Company;
- **“Code”**: the Dutch Corporate Governance Code;
- **“Company”**: B&S Group S.A.;
- **“Company Secretary”**: the secretary of the Company, as appointed in accordance with the Articles of Association;
- **“Conflict of Interest”**: a conflict of interest as referred to in the Code;
- **“Executive Board”**: the executive board of the Company;
- **“General Meeting”**: the Company’s general meeting of Shareholders;
- **“Group”**: the Company and its Subsidiaries;
- **“Luxembourg Law”**: the laws of the Grand Duchy of Luxembourg;
- **“Management Report”**: the annual report (rapport the gestion) of the Company as drawn up by the Executive Board;
- **“Rules”**: these Executive Board rules;
- **“Shareholder”**: a holder of one or more shares in the capital of the Company;
- **“Subsidiaries”**: the Company’s direct and indirect subsidiaries from time to time;
- **“Supervisory Board”**: the Supervisory Board of the Company.

## 2. Status and contents of the rules

- 2.1. These Rules have been drawn up pursuant to article 14.4 of the Articles of Association complement the rules and regulations that are applicable to the Executive Board under Luxembourg Law or the Articles of Association. These Executive Board Rules are published on the Company’s website.
- 2.2. Where these Rules are inconsistent with Luxembourg Law or the Articles of Association, Luxembourg Law or, as the case may be, the Articles of Association shall prevail. Where these Rules are in accordance with the Articles of Association but are inconsistent with Luxembourg Law, the latter shall prevail. If one or more provisions of these Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Executive Board shall replace the invalid provisions with provisions which are valid and the effect of which is, given the contents and purpose of these Rules, to the greatest extent possible, similar to that of the invalid provisions.
- 2.3. Capitalised terms not defined herein shall have the meanings given to them in the Articles of Association.

- 2.4. By virtue of the resolutions adopted on 9 March 2018 the Executive Board confirmed unanimously that it will comply with and be bound by the obligations pursuant to these Rules, to the extent that they apply to it and its members. On their appointment to the Executive Board, new members shall receive a copy of these Rules and be requested to return a signed copy of them to the Company Secretary.
- 2.5. Save as otherwise provided in the Articles of Association or by Luxembourg Law, the Executive Board may in exceptional cases, as the circumstances may require, at its discretion unanimously decide to deviate from these Rules.
- 2.6. These Rules can only be amended by a resolution of the Executive Board to that effect. Any amendment of these rules shall be laid down in writing. Any such amendment to the rules requires the approval of the Supervisory Board.

## 3. Responsibilities of the Executive Board

- 3.1. The members of the Executive Board are collectively responsible for the continuity of the Company and the business affiliated with it. The Executive Board focuses on long-term value creation for the Company and the business affiliated with it, and takes into account the stakeholder interests that are relevant in this context.
- 3.2. The Executive Board develops a view on long-term value creation by the Company and the business affiliated with it and develops a strategy which will take the following into account:
  - (a) the strategy's implementation and feasibility;
  - (b) the business model applied by the Company and the market in which the Company and the business affiliated with it operate;
  - (c) opportunities and risks for the Company;
  - (d) the Company's operational and financial goals and their impact on its future position in relevant markets;
  - (e) the interests of the stakeholders; and
  - (f) any other aspects relevant to the Company and the business affiliated with it, such as the environment, social and employee-related matters, the chain within which the Company operates, respect for human rights, and fighting corruption and bribery.
- 3.3. The Executive Board identifies and analyses the risks associated with the strategy and activities of the Company and the business affiliated with it. It is responsible for establishing the risk appetite, and also the measures that are put in place in order to counter the risks being taken. Based on the risk assessment, the Executive Board designs, implements and maintains adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the

Company and the business affiliated with it, and should be familiar to those whose work they are relevant to.

- 3.4. The Executive Board should monitor the operation of the internal risk management and control systems and should carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring should cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention should be given to observed weaknesses, instances of misconduct and irregularities, indications from whistle-blowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements should be made to internal risk management and control systems.
- 3.5. The Executive Board attaches the Management Report to the annual accounts. This Management Report shall in any event contain the information required by law and the Code.
- 3.6. The Executive Board ensures that internal procedures are established and maintained which safeguard that all relevant information is available to the Executive Board and the Supervisory Board in a timely fashion. The Executive Board shall be responsible for setting up and maintaining internal procedures to ensure that it is kept abreast of all important financial information, in order to safeguard timely, complete and accurate external financial reporting. In connection with this, if applicable, the Executive Board ensures that the financial information from Subsidiaries of the Company, if any, is reported directly to it and that the integrity of this information is safeguarded.
- 3.7. The Executive Board adopts values for the Company and the business affiliated with it that contribute to a culture focused on long-term value creation.
- 3.8. The Executive Board monitors the effectiveness and compliance with the code of conduct of the Company, both on the part of itself and of the employees of the Company. The Executive Board informs the Supervisory Board of its findings and observations relating to the effectiveness of, and compliance with, the code of conduct. The Executive Board should inform the chairman of the Supervisory Board without delay of any signs of actual or suspected material misconduct or irregularities within the Group and the business affiliated with it.
- 3.9. To the extent possible and permitted by applicable law, regulation and other regulatory requirements to which the Company or the Executive Board are subject at any time, the Executive Board shall carry out its duties and responsibilities with due recognition of the fact that the Company is part of the Group and with due observance of any and all Group policies and practices, except as provided otherwise in these Rules.
- 3.10. The Company shall have an IT steering committee. The Executive Board shall establish rules governing the committee's responsibilities. The members of the IT steering committee shall be appointed by the Executive Board in accordance with the rules for the IT steering committee.
- 3.11. The Company Secretary shall, either on recommendation of the Supervisory Board or otherwise, be appointed and dismissed by the Executive Board, after the approval of the Supervisory Board has been obtained.

- 3.12. The members of the Executive Board and the Supervisory Board shall consider and treat the Company Secretary as being independent from the Executive Board and the Supervisory Board.

## 4. Composition and suitability of the Executive Board

- 4.1. It is noted that in accordance with the Articles of Association, the Company shall be managed by an Executive Board consisting of at least two members. The Executive Board shall in any event comprise of the CEO, who shall act as chairman of the Executive Board, in accordance with the Articles of Association, and the Company's chief financial officer (CFO).
- 4.2. To the extent possible and permitted by applicable law, regulation and other regulatory requirements to which the Company or the Executive Board are subject at any time, the Executive Board may delegate in writing certain authorities wholly or partly to one or more members of the senior management of the Group, provided such delegations are limited in time and limited to specific tasks, and without this delegation having effect on the authorities or liability of the Executive Board or its duty to supervise such delegated persons.
- 4.3. The Executive Board shall hold an evaluation once a year to identify specific areas where members of the Executive Board require further training and education, and should evaluate the functioning of the Executive Board as a whole and that of the individual members.
- 4.4. Members of the Executive Board shall resign in the event of inadequate performance, structural differences of opinion, incompatible interests, and in other instances in which this is deemed necessary by the Supervisory Board subject to the applicable provisions of the Articles of Association and Luxembourg Law.

## 5. CEO

- 5.1. The CEO shall ensure the proper functioning of the Executive Board. The CEO acts as the primary contact for the Supervisory Board.
- 5.2. In addition to his responsibility for ensuring that the Executive Board's policies are properly implemented, the CEO shall, without limitation, also be responsible for:
- (a) supporting the other members of the Executive Board and mediating in any differences of opinion between them;
  - (b) ensuring that there is ample time for consultation, consideration and other aspects of the decision-making process during Executive Board meetings, and supervising the implementation of resolutions;
  - (c) chairing Executive Board meetings;

- (d) ensuring the timely and adequate provision of information to the members of the Executive Board and the Supervisory Board, as necessary for the proper performance of their respective duties;
- (e) maintaining close, frequent contact with the Supervisory Board, in particular its chairman, and the selection, appointment and remuneration committee and the Audit and Risk Committee, and informing the other members of the Executive Board in a timely and careful manner of the outcome of such contact;
- (f) maintaining close, frequent contact with the senior management of the Group, and informing the other members of the Executive Board in a timely and careful manner of the outcome of such contact;
- (g) ensuring the timely and adequate provision of information to any General Meeting, where appropriate; and
- (h) taking care of the annual evaluation and assessment of the functioning of the Executive Board.

## 6. Executive Board meetings

- 6.1. The Executive Board shall meet on a regular basis and also whenever one or more of its members request a meeting.
- 6.2. Executive Board meetings shall in principle be attended by all members of the Executive Board. If members are unable to attend and the minutes require explanation, the chairman of the meeting shall inform the absent members about the resolutions passed and the discussions held in the meeting in question. The CEO may invite other persons to attend Executive Board meetings in whole or in part.
- 6.3. If there is insufficient consensus at the meeting about a certain item on the agenda, the CEO may postpone the consideration of the matter until a subsequent meeting.

## 7. Conflict of interest

- 7.1. The members of the Executive Board shall try to avoid all Conflicts of Interest between themselves, either personally or representing a legal entity, and the Company.
- 7.2. Without prejudice to the Articles of Association, a member of the Executive Board should report any actual or potential Conflict of Interest in a transaction that is of material significance to the Company and/or to such Executive Board member to the chairman of the Supervisory Board and to the other members of the Executive Board without delay. The Executive Board member should provide all relevant information in that regard.
- 7.3. Members of the Executive Board shall not:
  - (a) enter into competition with the Company or the Group;

- (b) demanding or accepting substantial gifts from the Company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- (c) accept any gifts or other benefits of any kind from third parties other than in accordance with the applicable compliance policy of the Group;
- (d) provide unjustified advantages to third parties to the detriment of the Company;
- (e) take advantage of business opportunities to which the Company is entitled for themselves or for their spouses, registered partners or other life companions, foster children or relatives by blood or marriage up to the second degree; or
- (f) accept personal loans, guarantees or the like from the Company other than in the normal course of business and on terms applicable to all employees of the Group and with the approval of the Supervisory Board.

7.4. The following transactions require the approval of the Supervisory Board:

- (a) transaction between the Company and a legal entity in which a member of the Executive Board personally has a material financial interest; or
- (b) a transaction between the Company and a legal entity which has a member of the executive board or the supervisory board who is related under family law to a member of the executive Board.

## 8. Relationship with the Supervisory Board

- 8.1. The Executive Board shall provide the necessary means for the Supervisory Board to obtain the information necessary for the proper performance of its duties from officers and external advisors of the Company.
- 8.2. The Executive Board should ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the Executive Board and the Supervisory Board in a timely fashion. The establishment and implementation of these procedures is supervised by the Supervisory Board.
- 8.3. Without prejudice to the above, once a year, and in any event by the last meeting of the year, the Executive Board shall provide the Supervisory Board with a budget for the following year and information on the main features of strategic policy, the general and financial risks run by the Company, the Company's management and control systems, and its compliance with all relevant laws and regulations.



## 9. Relationship with the internal and external auditor

- 9.1. The Executive Board appoints and dismisses the senior internal auditor, subject to approval of the Supervisory Board and recommendation of the Audit Committee. The Executive Board assesses the way in which the internal audit function fulfils its responsibility annually, taking into account the opinion of the Audit Committee. The internal audit function should report its audit results to the Executive Board and the essence of its audit results to the Audit Committee and should inform the external auditor.
- 9.2. The Executive Board is involved in the audit plan which is prepared by the internal audit function. The audit plan should be submitted to the Executive Board, and then to the Supervisory Board, for approval.
- 9.3. The Executive Board maintains regular contact with the external auditor and ensures that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The Executive Board should give the external auditor the opportunity to respond to the information that has been provided. The external auditor should discuss the draft audit plan with the Executive Board before presenting it to the Audit Committee.

## 10. Whistleblowers

The Executive Board shall ensure that employees are able to report allegations of irregularities within the Company in accordance with the procedure laid down in the Group's whistleblower policy (or any other policy applicable at that time), without jeopardizing their legal position.

## 11. General meeting

- 11.1. The members of the Executive Board and the Supervisory Board shall participate in General Meetings unless there are serious grounds preventing them from doing so.
- 11.2. The Executive Board shall provide the General Meeting with any information it may require concerning an item on the agenda, unless it is prevented from doing so in view of overriding interests of the Company, or by a law, rules or regulations applicable to the Company. The Executive Board shall specify the reasons why overriding interests are considered to apply.
- 11.3. The Executive Board and the Supervisory Board are responsible for the adequate corporate governance of the Company. They shall report to the General Meeting and explain any deviations from the Code. The Management Report shall give a broad outline of the Company's corporate governance structure in a separate chapter. This chapter shall specify where the best practice provisions of the Code were followed. If best practice provisions have been deviated from, the chapter shall specify to what extent and for what reason.
- 11.4. Each significant change in the Company's corporate governance structure or compliance with the Code shall be addressed in a separate item on the agenda for consideration by the General Meeting.

## 12. Confidentiality

Every member of the Executive Board shall treat all information and documentation obtained in connection with his or her position with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Executive Board and, when applicable, the Supervisory Board, made public or otherwise made available to third parties, even if the member resigns from the Executive Board, unless it has been made public by the Company or it has been established that the information is already in the public domain without breach of the provisions of this clause 12 by the relevant incumbent or former member of the Executive Board or such disclosure is required by a legal or regulatory provision applicable to Luxembourg public limited liability companies.

## 13. Rules of conduct for members of the Executive Board and additional positions

- 13.1. By signing a statement to that effect provided by the Company Secretary, members of the Executive Board shall declare that they shall act in accordance with the rules regarding securities transactions by members of the Executive Board.
- 13.2. Members of the Executive Board shall not accept a position as a non-executive board member or supervisory board member at another company without the prior approval of the Supervisory Board and in accordance with applicable legislation and regulation.
- 13.3. Members of the Executive Board will annually provide the Supervisory Board and the Company Secretary, if applicable, with an overview of the additional functions they perform, which will be discussed at the Supervisory Board meeting. Retirements and new appointments will be disclosed to the CEO and the Company Secretary as soon as practically possible with details about the function and the size of the company involved.
- 13.4. If a member of the Executive Board takes on an additional position with or interest in another company, he or she shall ensure that he/she is still able to fulfil his/her responsibilities as a member of the Executive Board.

## 14. Governing law and jurisdiction

- 14.1. These Rules shall be governed by and construed in accordance with Luxembourg Law.
- 14.2. The courts of the city of Luxembourg shall have exclusive jurisdiction over any disputes arising from or in connection with these Rules, including any disputes regarding the existence, validity or termination of these Rules.

**B&S**