



## *CORPORATE GOVERNANCE CHARTER*

*This Corporate Governance Charter is available in French, Dutch and English. In the event of divergence between these versions, the French version shall prevail.*

*Last update: 25 February 2011*

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## Introduction

Atenor Group has adopted the Belgian Code of Corporate Governance 2009 (hereafter the “Code”) as reference code.

In accordance with the Code, Atenor Group presents below the general philosophy, structure and principles which steer corporate governance within the company.

Atenor Group’s Board of Directors has approved this Atenor Group Corporate Governance Charter, which seeks to be the Group’s reference document on this matter. It will ensure that it is updated and will explain any significant amendments to it at the General Meeting of Shareholders and Bondholders.

The factual elements relating to the governance of Atenor Group will supplement the Corporate Governance Charter of Atenor Group at the time of publication of the annual report (“Corporate Governance Statement”), as well as other occasional official publications. These publications are available on the Atenor Group website ([www.atenor.be](http://www.atenor.be)).

The Corporate Governance Charter of Atenor Group and the articles of Atenor Group are reproduced on the Internet site ([www.atenor.be](http://www.atenor.be)). Copies are available free of charge from the company’s head office.

## Part I: Strategy and Structure of Atenor Group

The strategy of Atenor Group is based on real estate development of high quality buildings by the application of very strict criteria concerning the choice of the site (*prime location*), the technical quality, sustainable development, the investment costs and the conditions of the location and sale. This activity is carried out within various targeted European countries.

The multidisciplinary team of Atenor Group and its internal operation are structured in order to permanently increase the technical know-how and the specific skills in the field of real estate development.

In parallel with this core activity, the skills of the multidisciplinary team could be directed towards transactions where the underlying component is real estate, but with a predominant financial nature (e.g. restructuring of a real estate portfolio, etc.).

The long-term objective is to expand the skills in the *core business*, to strengthen the know-how and the profit capacity of Atenor Group, with a focus on the created goodwill and its policy of distributing dividends.

The structure of Atenor Group is essentially composed of:

- (i) the Shareholders and Bondholders;
- (ii) the Board of Directors;
- (iii) the Committees of the Board of Directors; and
- (iv) the Management

The roles and responsibilities of these various actors are described and defined in this document.

## Part II: The Shareholders and Bondholders of Atenor Group

### II.1. Equity, shares and obligations

On 25 February 2011, the authorized capital is fixed at € 38,879,547.69. It is represented by 5,038,411 shares without a face value including 1,136,485 shares with a VVPR strip, each one representing one /five million thirty-eight thousand four hundred and eleventh (5,038,411<sup>th</sup>) of the authorized capital.

Moreover, on 18 January 2010 Atenor Group issued bonds for an exchange value of € 75,000,000, represented by 75,000 bonds with a nominal value of € 1,000 per bond.

### II.2. Dialog with the Shareholders and Bondholders

The company has developed a communication and publication policy aimed at engaging with the Shareholders, Bondholders and the financial market in general in a dialog based on the mutual understanding of the objectives and expectations.

To ensure effective communication, Atenor Group publishes all the information of interest to shareholders or *stakeholders*, whether this information is occasional or periodic. This concerns in particular the convening of the Annual General Meeting, the publication of the semi-annual and annual financial results, the payment of dividends, and regulated communications.

The site [www.atenor.be](http://www.atenor.be) also contains a timetable of the periodic information and general meetings. The Articles of Association and the Corporate Governance Charter are available there at all times.

Atenor Group encourages its Shareholders and Bondholders to make a considered use of their voting rights and to attend the respective General Meetings each time that proves to be convenient and possible, and does not spare any effort in order to facilitate their participation.

The dialog with the Shareholders and the Bondholders is ensured in a regular way by the Chief Financial Officer (Investor Relations).

Atenor Group regularly organizes meetings with the financial press, analysts and also investment clubs and associations. The consolidated financial results and the comments on the activities of the main participating interests are published every six months in the form of a press release and simultaneously on the Group's web site at the address: [www.atenor.be](http://www.atenor.be).

Since the application of the approach "*to conform or explain*" of this Code is based on confidence in control by the market, the Board of Directors encourages the Shareholders and Bondholders, in particular the institutional Shareholders and Bondholders, to play an important part in the attentive evaluation of the corporate governance of the company. The Board of Directors ensures that the Shareholders and Bondholders, institutional and others, appreciate all the significant factors to which their attention is drawn.

The Board of Directors also takes care to ensure that attentive consideration is given by the Shareholders and Bondholders to the explanations that it gives them concerning the aspects for which the company does not apply the recommendations of this Code and encourages them to form a judgment with full knowledge of the facts. If the Shareholders and the Bondholders do not accept the position adopted by the company, the Board of Directors engages dialog with them, by underlining the specificities of the company, in particular its size, the complexity of its activities and the nature of the risks and challenges that it faces.

## Part III: The Board of Directors of Atenor Group

### III.1. Role, Responsibilities and Authority

#### **Role**

The Board of Directors of Atenor Group is its ultimate decision-making body, except for matters reserved for the Shareholders/Bondholders by company law or the Articles of Association.

The role of the Board of Directors is to pursue the long-term success of the company by organizing the entrepreneurial leadership on the one hand, and while ensuring on the other hand the evaluation and management of risks, while remaining attentive to the interests of the *stakeholders*.

#### **Responsibilities**

The key responsibilities of the Board of Directors include the following:

With regard to the general and financial strategy:

- to define and approve the values and the strategy of the company and the level of risks that it agrees to take
- to ensure that the leadership, human and financial resources necessary are available to enable the company to achieve its goals
- to examine and approve Atenor Group's financial objectives

With regard to the real estate projects:

- to determine the acquisition strategy and to approve the determining phases in the life of a project (acquisition, financing, phasing, moment of starting, sale,...)

With regard to its monitoring responsibilities:

- to decide on the management structure and to determine the powers and obligations that are entrusted to the Management
- to approve the contracts of nomination of the Managing Director and other members of the management in accordance with the recommendation of the Nomination and Remuneration Committee
- to control and evaluate the performance of the Management and the realization of the strategy of the company with respect to the specified objectives and budgets
- maintaining interaction, dialogue and an atmosphere of respect and trust with the Management
- to control and examine the effectiveness of the Committees of the Board of Directors
- to approve a reference framework for internal audit and risk management as set up by the Management
- to examine the implementation of this reference framework by taking account of the examination carried out by the Audit Committee
- to examine the performance of the auditor and to supervise the Internal audit function by taking account of the examination carried out by the Audit Committee

- to take all the measures necessary to ensure the integrity and the publication, in good time, of the financial statements and other significant, financial and non-financial information, communicated to the Shareholders/Bondholders and to potential Shareholders/Bondholders
- to take all the necessary and practical measures for an effective and efficient application of the Belgian rules as regards market abuse
- stimulate – by the means of suitable measures – an effective dialog with the Shareholders, the Bondholders and the actors of the financial market in general, based on mutual comprehension of the objectives and interests
- to ensure that its obligations with respect to all the Shareholders and all the Bondholders are understood and fulfilled

### ***Authority***

The Board of Directors has the authority and the obligation to allocate appropriate resources to the exercise of its functions. It has joint responsibility vis-à-vis the company for the proper exercise of this authority and of these powers.

Provided that they notify the Chairman of the Board beforehand, the directors individually have access to independent professional advisers, at the company's reasonable expense, whenever they deem this necessary for performing their responsibilities as directors, and after consultation with the Chairman.

The day-to-day management of the company is delegated to the Stéphan Sonneville s.a. (represented by Mr. Stéphan Sonneville), the Managing Director.

## **III.2. Composition**

### ***Number of Directors***

The statutes specify that the company is managed by a Board of Directors made up of at least three members, but the company wishes to have a larger Board of Directors.

The company intends to have a sufficiently limited Board of Directors to allow an efficient decision-making process, but sufficiently large Board so that the company can benefit from its members' experience and knowledge in various fields and so that changes in its composition can be managed without disturbance.

### ***Eligibility criteria for the Board of Directors***

The members of the Board of Directors are and must come from various professional environments and combine the diversity of their experience and skills with a reputation for integrity.

Each member is proposed on the basis of his potential contribution in terms of knowledge, experience and skill in one or more fields, without distinction of sex or origin and in accordance with the needs for the Board of Directors at the time of designation, including:

- **Leadership qualities** : skills and abilities to conceive and refine a strategic vision via the conceptualisation of fundamental trends and the encouragement of positive, high-quality dialogue, commitment and perseverance associated with a critical but constructive approach to the Group's established procedures and vision.

- **Management and organization:** successful experience in the management of a company of a certain active size on both the national and international markets, capacities to anticipate changes and to share advanced reflections on the proposals to be formulated.

The Board of Directors ensures that a rigorous and transparent procedure is adopted to guarantee the effectiveness of the appointments and re-elections of the Directors. It is left to the Board of Directors to establish procedures for nomination and selection criteria for the Directors, including, if necessary, specific rules for the executive and non-executive directors.

The Chairman of the Board leads the nomination process. The Nomination & Remuneration Committee recommends appropriate candidates to the Board of Directors, which then proposes the nomination or re-election to the General Shareholders Meeting.

For every new appointment of a director, an evaluation is made of the existing and necessary skills, knowledge and experience within the Board of Directors and, on the basis of this evaluation, a description of the role, as well as the required skills, knowledge and experience is developed.

In the case of a new nomination, the Chairman of the Board makes sure that before considering the approval of the candidature, the Board of Directors has received sufficient information concerning the candidate: his curriculum vitae, the evaluation based on the initial interview, the list of other functions that he holds as well as, if necessary, the necessary information relating to the evaluation of his independence.

The non-executive directors are duly informed of the extent of their obligations, in particular with regards to the time that they will have to devote to the exercise of their mandate. They cannot in principle accept more than five mandates as director in listed companies.

The changes made to other significant commitments as well as new commitments outside the company are communicated to the Chairman at the time when they occur.

Any proposal for the appointment of a Director by the General Meeting is accompanied by a recommendation from the Board of Directors based on the recommendation of the Nomination & Remuneration Committee. This provision also applies to proposals for nomination originating from the shareholders.

The proposal should specify the proposed term of the mandate, which should not exceed four years.

It should be accompanied by relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds. The Board of Directors will indicate which candidates satisfy the criteria of independence included in the Code.

Without prejudice to the applicable legal provisions, proposals for nomination should be communicated at least 30 days before the General Shareholders' Meeting, together with the other points on the agenda.

### ***Composition and balances***

The Board of Directors is composed of a Chairman, a Managing Director and one or two Directors appointed on the recommendation of each of the stable shareholders and at least two independent Directors.



The Chairman is non-executive. He is appointed by the Board of Directors. He is chosen on the basis of his knowledge of the real estate sector and his experience in the exercise of directorships.

The non-executive directors represent more than half of the Board of Directors, in accordance with the recommendations of the Code. With the exception of the Managing Director, the Directors appointed on the proposition of the stable Shareholders are non-executive.

These Directors act independently and none of them is able to dominate the Board's decision-making. Because of the separation of the stable shareholding of Atenor Group into several independent groups of which none exceeds 20% of the capital, these Directors ensure a balanced functioning of the Board of Directors.

Atenor Group greatly benefits from the active participation of its Board members in companies of great importance who have shown both their development capacities and their long-term commitment to the development of Atenor Group.

The Board of Directors of Atenor Group includes at least two independent Directors. Atenor Group considers that currently, the efficient functioning of its Board of Directors and its Committees does not however require three independent Directors as envisaged by the Code. Any independent Director who ceases to fulfil the conditions of independence specified by the Board of Directors and/or the Code must notify this without delay.

### ***Performance evaluation***

Under the direction of its Chairman, the Board of Directors examines and regularly evaluates its size, composition, performance and those of his Committees as well as its interaction with the Management.

The Board of Directors learns the lessons from the evaluation of its performance by recognizing its strong points and correcting its weaknesses. Where appropriate, this will involve proposing new members for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the Board of Directors.

Contrary to the provisions of the Code, individual director performance is not normally evaluated unless in the context of a re-election procedure. The Board considers that such an individual evaluation is currently not required to ensure the proper functioning of the Board.

It will however carry out such individual evaluations if, in view of particular circumstances, it proves to be necessary or required.

In accordance with what is envisaged in the Code, the non-executive directors meet once per annum without the presence of the Managing Director.

However, the performance of the Managing Director is evaluated, specifically and in his absence, without, however, the need to hold a specific session of the Board solely for the purpose of addressing this issue.

### ***Professional development***

The Chairman ensures that the new Directors receive sufficient initial information to allow them to contribute quickly to the work of the Board of Directors. This process will make it possible for the Director to learn the essential characteristics of the company, including those of its strategy, its values, its governance, its challenges in terms of activities, its key policies, its finances, and its risk management and internal audit systems.

For Directors called upon to be part of a Committee of the Board of Directors, the initial information programme includes a description of the powers of this Committee as well as any other information related to the specific role of this Committee.

For the new members of the Audit Committee, this programme includes the rules of the Committee as well as an overall picture of the organization of the internal audit and risk management systems of the company. They should be provided, in particular, with full information on the company's specific operational, financial, accounting and auditing features. The initial information programme also includes contacts with the Auditor and the members of staff concerned with these areas.

The Directors will update their skills and develop their knowledge of the company in order to fulfil their role both in the Board of Directors and in the Committees of the Board of Directors.

### III.3. Chairman of the Board of Directors

The Board of Directors appoints a chairman among its members on the basis of his knowledge, his skills, his experience and his aptitude as a mediator. It is the responsibility of the chairman, with the support of the Board of Director's Committees, if necessary, to assume the leading role in all of the initiatives designed to ensure the smooth running of the Board of Directors.

In particular, the Chairman:

- is responsible for the direction of the Board of Directors and takes the measures necessary to develop a climate of confidence, respect and frankness within the Board of Directors while contributing to open discussions, the constructive expression of differences of opinion and to adherence with the decisions made by the Board of Directors
- ensures that the Board of Directors is always informed of the essential aspects of the strategy, activities and financial standing of Atenor Group, including the competitive developments
- sets the agenda for the meetings after having consulted the Managing Director, by indicating for each point if it is submitted to the Board of Directors for information, discussion, approval or decision
- ensures that the procedures relating to the preparation, deliberations, decision-making and their implementation are applied correctly. The minutes of the meeting should summarise the discussions, specify any decisions made and state any reservations voiced by the Directors.
- ensures that the Directors receive adequate and precise information in good time before the meetings and, if need be, between them. Moreover, he ensures that the same information is communicated to all the Directors
- ensures that the composition of the Board of Directors is optimal
- ensures that the respective roles and responsibilities of each body of Atenor Group are clearly and uniformly understood and respected
- defines, in consultation with the Managing Director, the calendar for the board meetings and its Committees, while ensuring the presence of the members at the meetings
- with the support of the Nomination and Remuneration Committee, initiates and conducts the processes that govern:
  - the communication of requirements with respect to the independence, expertise and qualifications of Atenor Group's directors
  - the appointment or re-election of the members of the Board of Directors and its Committees
  - the overall evaluation of the effectiveness of the Board of Directors
- chairs the General Meetings and ensures their smooth running

- establishes close relations with the Managing Director while providing support and advice to him, in the respect of the executive responsibilities of the latter
- ensures the development of an effective interaction between the Board of Directors and the Management
- monitors the relevancy of Atenor Group's governance to Atenor Group's needs; he proposes any necessary changes to the Board of Directors;

The Board of Directors can entrust the Chairman with other specific responsibilities.

The same person cannot hold the chairmanship of the Board of Directors and the position of Managing Director at the same time. The division of responsibilities between the Chairman and the Managing Director is clearly established.

## III.4. Structure and Organisation

### ***Board Meetings***

The Board of Directors will meet whenever required by the company's interests and whenever at least two directors so request. The Chairman convenes the meeting.

The Board of Directors always meets at least four times per annum.

The presentations are generally given to the Board of Directors by the Managing Director or a member of the Executive Committee.

The presence of the members of the Board of Directors at the meetings is considered to be essential. The Board of Directors communicates each director's average attendance rate in the Annual Report.

The Board of Directors can only validly deliberate and make a decision if the majority of its members is present or represented. The Committees' decisions are made by simple majority. In the event of a tie, the Chairman has the casting vote.

Any director can participate in the deliberations of the Board by conference call or any technical means allowing effective deliberation between the members of the Board. In exceptional cases justified by the urgency and the interests of the company, the decisions of the Board of Directors can be made with the unanimous agreement of the Directors, stated in writing.

Any director may authorise one of his or her colleagues by simple letter or fax to represent him or her at a specific Board Meeting and to vote at said meeting in his or her name. If a legal entity is appointed director, it will designate a physical person through whom it will perform the tasks of director, in accordance with Clause 61 of the Companies Code.

Without prejudice to more restrictive provisions in the Companies Code's, the directors will refrain from participating in any deliberations of the Board concerning a decision or transaction in which the shareholder with whom they are associated has a direct or indirect interest, or that may give rise to a direct or indirect economic advantage to that shareholder.

Each Board Meeting is the subject of minutes recorded in a special register and signed by at least a majority of the members who took part in the deliberation.

### ***Board Committees.***

In order to perform its role and fulfil its responsibilities effectively, the Board of Directors has set up a Nomination and Remuneration Committee and an Audit Committee. The existence of these Committees does not affect the Board of Director's ability to set up, if appropriate, other ad hoc committees for the purpose of addressing specific problems.

The Board's Committees are addressed in greater detail in Part IV.

### ***Company Secretary***

The Board of Directors designates a Company Secretary who will assist and advise the Board of Directors, the Chairman of the Board, the Chairmen of the Board Committees, and all the directors in the execution of their role and obligations. He exercises the function of Secretary of Atenor Group Board of Directors and its Board Committees if their Chairman so wishes.

He ensures, under the direction of the President, the good communication of information within the Board of Directors and its Committees and between the Management and non-executive Directors. Under the direction of the Chairman, the Secretary submits regular reports to the Board of Directors about the way in which the procedures, rules and regulations applicable to the latter are followed and respected.

## **III.5. Rules of Conduct**

### ***Applicability of Atenor Group's General Principles of Conduct***

Each Atenor Group Director must adhere to the principles of integrity and ethics, which also apply to Atenor Group's Management and to all its employees.

Each Director must:

- pursue only the general objectives of Atenor Group's Board of Directors,
- maintain under all circumstances his or her independence of judgment, decision and action, and
- clearly express his or her concern, and, if appropriate, officially express his or her opposition if he or she considers that a proposal submitted to the Board is contrary to the interests of Atenor Group.

### ***Information***

The Directors will ensure that they obtain detailed and adequate information and familiarise themselves with it thoroughly in order to acquire and maintain a clear understanding of the key aspects of the affairs of the company. They should seek additional information whenever they deem it necessary.

Any Director has the right to receive the information they wish as soon as they request it. Directors must never use the information received in their capacity as directors for purposes other than the exercise of their mandate.

Directors are required to handle with care the confidential data they receive in their capacity as directors. If for reasons foreign to the company, a director communicates this information to another company, whether a shareholder or not of the company, it does so under his/her control and own responsibility.

### ***Conflicts of Interest***

Each director will organize his/her personal and professional affairs so as to avoid any direct or indirect conflict of interests with the company. They will immediately inform the chairman of any possibility of the occurrence of a conflict of interest. They will refrain from any discussion or decision on the Board of Directors concerning their personal, commercial or professional interests, in compliance with the applicable laws.

Transactions between the company, including affiliated companies, and its Directors are concluded according to normal market conditions.

### ***Market Abuse***

The Board of Directors must take all necessary and practical measures for an effective and efficient application of the Belgian rules concerning market abuse. In this respect, each member of the Board of Directors has signed a “code of good conduct”.

## Part IV: Committees of the Board of Directors of Atenor Group

### IV.1. Rules common to all Board Committees

#### ***Role, Responsibilities and Authority***

The Board of Directors has set up an Audit Committee (hereafter, the “Audit Committee”) as well as a Nomination and Remuneration Committee (hereafter, the “Nomination and Remuneration Committee” or “NRC”).

The Board of Director’s Committees perform an advisory function to the Board. They assist the Board of Directors in the specific areas that they handle, in the necessary detail, and submit recommendations to the Board.

If delegated by the Board and by derogation to the Code, they may also have decision-making powers. However, these powers are strictly limited to the terms of the specific delegation.

The Board of Directors determines the roles and responsibilities of each Committee. The Committees review their Internal Rules on a regular basis, on their own initiative or that of the Board of Directors, and may propose changes to the Board of Directors.

Each Committee has the authority and the duty to assign adequate resources to the exercise of its functions (and in particular to choose, appoint or revoke every possible external consultant) at the expense of the company.

The Committees will submit an activity report for each of their meetings, with their conclusions and their recommendations to the Board of Directors.

#### ***Composition***

The Chairman ensures that the Board of Directors appoints the members and the Chairman of each Committee. Each Committee consists of at least three members. The term of the office as a member of a Committee does not exceed that of the mandate of a Director.

The designation of the Committees’ members is based on:

- their specific expertise and experience, in addition to the general expertise required of Atenor Group Directors and
- the requirement with respect to collective expertise and experience, for each Committee, necessary for the accomplishment of its tasks.

The position of Chairman of a Committee is held by a non-executive director. The Chairman of the Board can be a member of the Committees of the Board of Directors without however being able hold the chairmanship of it; he however has a permanent invitation to attend the meetings of the Committees.

The Managing Director is permanently invited to meetings of the Committees. He withdraws however from the Nomination and Remuneration Committee when this rules on his own remuneration.

### ***Chairmanship***

It falls to the Chairman of each Committee of the Board of Directors, supported by the Chairman of the Board, and, when that is indicated, by the Managing Director to ensure that the Committee:

- understands its role and responsibilities,
- has the information and internal and external support necessary for the proper execution of its tasks and
- performs its functions in accordance with these common rules and the Committee's internal rules.

### ***Meetings***

The rules that govern the Board of Director's meetings also apply to the Committee's meetings, subject to the following reservations:

- the Committee's members cannot participate in a meeting by conference call or by other means of telecommunication, unless they receive authorisation to do so from the Committee's chairman;
- in order for the deliberations to be valid, at least half of the Committee's members must be present in person;
- any member of a Committee may be represented by another member of the Committee subject to a signed power of attorney sent by mail or fax. No member of a Committee may hold more than one power of attorney;
- The Committees' decisions are made by simple majority.

## **IV.2. Rules of the NRC**

### ***Role***

The Nomination and Remuneration Committee ("NCR"), formed by the Board of Directors, is charged with assisting the Board of Directors in all the matters affecting the choice, designation and remuneration of the corporate bodies of the company. It is tasked with the drafting of the Remuneration Report.

### ***Composition***

The NCR is composed of three to five members, all non-executive directors and a majority of independent directors.

The members and the Chairman of the NCR are appointed by the Board of Directors on a proposal from the Chairman of the Board, after the consultations that it considers useful.

## **Responsibilities**

The responsibilities of the NRC are as follows:

- to make recommendations to the Board of Directors concerning the appointment of Directors, the Managing Director and other members of the Management
- to ensure that the process of nomination and re-election is organized objectively and professionally.
- to regularly review the principles and criteria of independence, skill and qualifications that govern the selection and appointment of Directors and recommend possible changes to the Board of Directors;
- to examine the proposals made by parties concerned with regard to nominations, including the Management and Shareholders; in particular, the Managing Director is entitled to submit proposals to the NRC, and to be duly consulted by it, in particular on questions relating to the executive Directors or the Management.
- to initiate and lead the process of appointing or re-electing non-executive Directors by submitting a recommendation to the Board of Directors which then decides on the proposed appointments or re-elections to be submitted to the General Meeting of Shareholders for decision;
- to communicate its opinion on the contract of appointment of the Managing Director and other members of the Management.
- to manage the re-election and succession process of the Chairman according to a procedure that it determines in consultation with the Managing Director;
- to establish the plan of succession for the Managing Director;
- to make proposals to the Board of Directors on the remuneration policy for the non-executive Directors
- to approve and monitor the implementation of the basic remuneration policy adopted by the Managing Director for all of the personnel.
- to prepare and submit the Remuneration Report to the Board of Directors
- to comment on the Remeration Report during the General Meeting of Shareholders
  
- generally, to ensure that remunerations are fixed by in relation to market practices as established by the studies carried out by specialized companies.
- to assist the Board of Directors of Atenor Group in all matters relating to the governance of the group, on which the Board of Directors or the Chairman of the board wishes to receive the opinion of the Committee.

Moreover, the NRC has received from the Board of Directors the task of ruling:

- on the remunerations allocated directly or indirectly to the Managing Director and the other members of the Management on the basis of principles approved by the Board, including any variable remuneration and the formulas for long-term profit-sharing, whether linked or not to shares, granted in the form of options on shares or other instruments such as on the agreements concluded concerning early termination
- on the granting to the Managing Director, the other members of the Management of shares, options on shares and all other right to acquire shares in the company and on the number of shares to be granted to the personnel, all without prejudice to the specific competences of the General Meeting and the Board of Directors as to the approval of the plans for attribution and with the issue of the certificates.
- on the implementation and follow-up of the partnership policy with the Management



## **Meetings**

The NRC meets at least once a year. Other meetings will be convened if necessary, at the request of the chairman, or the request of a member of the NRC or the Managing Director after consulting with the chairman.

The NRC regularly re-examines (at least every two or three years) its rules, evaluates its own effectiveness and recommends the necessary changes to the Board of Directors.

## **Remuneration of the non-executive Directors**

The remuneration of the non-executive Directors takes into account their role as ordinary Directors, and their specific roles in their capacity as Chairman of the Board, Chairmen or member of the Committees, as well as their resulting responsibilities and the time devoted to their functions. This overall remuneration is consistent with market practices and reflects the level of responsibility and the nature of his/her position. The remuneration paid by Atenor Group to the non-executive members of the Board of Directors in the form of percentages is submitted for approval to the Annual General Meeting and is published in the Annual Report.

The non-executive Directors do not receive either remuneration related to their performances, such as a bonus and formulas for long-term profit-sharing, or benefits in kind and benefits associated with pension plans or others.

The amount of the remuneration and other benefits awarded directly or indirectly to the non-executive Directors by the company or its subsidiary companies is published, on an individual basis, in the remuneration report. **Remuneration of the Managing Director**

The remuneration received directly or indirectly by the Managing Director is generally defined for both his role on the Board of Directors and directly or indirectly in the company and its subsidiaries. The total remuneration, both fixed and variable, of the Managing Director is determined by the Nomination and Remunerations Committee, based on the principles approved by the Board.

The amount of the remuneration and other benefits awarded directly or indirectly to the Managing Director by the company or its subsidiary companies is published in the remuneration report.

This information, for as much as the application, is broken down as follows:

- basic remuneration;
- variable remuneration: all incentives, indicating the form in which this variable remuneration is paid;
- pension: the amounts paid during the financial year of the annual report with an explanation of the applicable pension schemes; and
- the other components of the remuneration, such as the cost or the monetary value of the insurance cover and benefits in kind, with an explanation of the characteristics of the principal components.

If the company has materially deviated from its remuneration policy during the financial year reported in the annual report, it should be explained in the remuneration report.

For the Managing Director, the remuneration report contains individual information giving the number and the key characteristics of the shares, the options on shares or other rights to acquire shares granted, exercised or fallen due during the accounting period reported in the annual report.

### ***Remuneration of the members of the management (others than the Managing Director)***

The level and structure of the remuneration of the management is such that they allow the recruitment, the loyalty and the motivation of qualified and skilled professionals taking into account the nature and the extent of their individual responsibilities.

In order to align the interests of a member of the Management with those of the company and its Shareholders/Bondholders, an appropriate part of the envelope of remuneration of a member of the Management is structured in order to be linked to their individual performance and that of the company. When the members of the Management meet the conditions for entitlement to a remuneration related to the performance of the company or its subsidiary companies, the criteria for the performance evaluation taking into consideration the objectives, with an indication of the period of evaluation, are published in the remuneration report. This information is indicated so as to not provide any confidential data concerning the strategy of the company.

The plans envisaging the remuneration of members of the Management by the award of shares in the company, options on shares in the company or all other rights to acquire shares in the company are subject to the prior approval of the Shareholders by a resolution taken at the General Meeting. The approval should relate to the scheme itself and not to the individual award of share-based benefits under the scheme.

The total amount of remunerations and other benefits granted directly or indirectly to other members of the Management by the company or its subsidiary companies is published in the remuneration report.

This information, for as much as the application, is broken down as follows:

- basic remuneration;
- variable remuneration: for all incentives, indicating the form in which this variable remuneration is paid;
- pension: the amounts paid during the financial year reported in the annual report with an explanation of the applicable pension schemes; and
- the other components of the remuneration, such as the cost or the monetary value of the insurance cover and benefits in kind, with an explanation of the characteristics of the principal components.

If the company has materially deviated from its remuneration policy during the financial year reported in the annual report, it should be explained in the remuneration report.

For the members of the Management, the remuneration report contains individual information giving the number and the key characteristics of the shares in the company, the options on shares or other rights to acquire shares in the company granted, exercised or fallen due during the financial year reported in the annual report.

### ***Contract of the Managing Director and other members of the Management***

The Board of Directors approves the contracts of nomination of the Managing Director and other members of the Management after consultation with the Nomination and Remuneration Committee. The contracts concluded as from July 1 2009 refer to the criteria to be taken into account during the establishment of any variable remuneration. The contract should contain specific provisions relating to early termination.

### ***Termination payments***

Any contract concluded with the company or its subsidiary companies relating to the remuneration of the Managing Director and other members of the management as from July 1, 2009, will state that the termination payment granted in the event of early termination will not exceed 12 months of the basic and variable remuneration.

The Board of Directors can decide to award a higher termination payment as the result of a recommendation by the Nomination and Remuneration Committee. Such a higher severance pay should be limited to a maximum of 18 months of basic and variable remuneration. The contract should specify when such higher severance pay may be paid. The Board of Directors will justify this higher termination payment in the remuneration report.

### ***Variable Remuneration***

Unless in the case of explicit approval by the General Meeting of Shareholders, at least one fourth of the variable remuneration of an executive director or a member of the management should be based on previously determined and objectively measurable criteria of performance over a period of two years and at least another fourth should be based on previously determined and objectively measurable criteria of performance over a period of three years. This obligation does not however apply if the variable remuneration does not exceed a fourth of the annual remuneration.

## IV.3. Internal Rules of the Audit Committee

### **Role**

The Audit Committee, formed within the Board of Directors, ensures that the latter receives appropriate and correct information in good time, on a regular basis, thereby enabling it to understand the company's operational and financial development as well as the main problems with which the company is confronted.

The Audit Committee ensures that the audit and internal audit procedures are properly established and function correctly; it ensures that the reporting and consolidation processes are organized in an efficient and reliable manner; it ensures that the management of the risks to which the company is exposed is adequately organized.

The Audit Committee also regularly renders account to the Board of Directors of the execution of its tasks by identifying the questions for which it estimates that an action or an improvement is necessary and by making recommendations concerning the measures to be taken.

### **Composition**

The NCR is composed of three to five members, all non-executive Directors and including minimum one independent Director. With regard to the provision of the Code stipulating that the NCR should be composed of a majority of independent Directors, the company is of the opinion that this is not, at this stage, necessary for the smooth operation of the Committee.

Its members and its Chairman are appointed by the Board of Directors on a proposal from the Chairman of the Board of Directors, after any consultations that it considers useful.

The members of the Audit Committee will have sufficient knowledge for the effective exercise of his/her role, in particular as regards accountancy, auditing and finance.

Apart from the Chairman of the Board and the Managing Director, the Financial Director, the Secretary of the Board of Directors, the Internal Auditor and the Auditor are permanently invited. The Audit Committee can however request other members of the Management or subsidiary companies of the company to attend the meetings of the Audit Committee if necessary or desirable, but without the right to vote, or to invite them to provide relevant information if necessary.

### **Responsibilities**

The responsibilities of the Audit Committee are as follows:

With respect to the financial statements

- to follow the development process for financial information
- to audit the company's assets and liabilities at least once a year to ensure that these assets and liabilities are estimated correctly. However, the working capital and cash flow position must be audited every quarter or more frequently, as the Audit Committee sees fit.
- to ensure that (i) the assets and liabilities of the company are reported in good time and in an adequate manner, (ii) these assets and liabilities are handled with care, in accordance with the strategic objectives approved by the Board and (iii) the Management has introduced codes of conduct and adequate systems in order to protect all of the assets of the company.

- to analyze the main problems of accounting and communicating information and understanding their impact on the financial position.
- to analyze the results of the Internal Audit.
- to monitor the effectiveness of the internal audit; in particular, it will make recommendations to the Board of Directors on the choice, continuance and dismissal of the person tasked with the internal audit.
- to analyze, in collaboration with the Management and the Auditor the nature, extent and results of the audit, including the difficulties encountered and all of the points that need to be communicated to the Audit Committee, in accordance with customary auditing standards.
- monitoring the statutory audit of the annual statements and consolidated accounts, including the follow-up of the questions and recommendations made by the Auditor
- to analyze the periodic and annual reports and financial statements and evaluate their exhaustiveness and their consistency with the information in the Committee members' possession, and ensure that they reflect the appropriate accounting principles.
- to check the other sections of the annual report and the submissions of statutory files prior to their publication and to evaluate the accuracy and exhaustiveness of the information.
- to submit a regular report to the Board of Directors on the exercise of its missions, at least during the production by the latter of the annual statements, the consolidated accounts and, if necessary, the summarized financial statements intended for publication. (art. 526bis, §4, al.2 soc.)

*With respect to the internal control*

- to monitor the effectiveness of the internal audit and risk management systems of the company
- to understand the field of application of the revision carried out by the Auditor on the plan for the communication of financial information and to obtain reports relating to the observations and the important recommendations as well as the reactions of the management.
- to ensure that the Management has introduced adequate rules and systems for (i) the process for the communication of financial information, the internal audit system of the financial communication, the audit process and the control of the compliance with the laws and the regulations and any regulation or internal code of conduct in force and (ii) to protect the reputation and integrity of the company and preserve the quality of its relations with its customers, suppliers, employees, shareholders and Bondholders.

*With respect to the Internal audit*

- to discuss with the person responsible for the Internal Audit the work carried out in compliance with the rules for internal audit, the cover of risk, and the quality of the internal audit and risk management. All Internal Audit reports shall be submitted to the Audit Committee. The person responsible for the Internal Audit shall be able to contact the Chairman of the Audit Committee and the Chairman of the Board of Directors directly.

*With respect to the Auditor*

- to monitor the scope of application and the audit approach proposed by the Auditor.
- to analyze the performance of the Auditor and to give final approval concerning the designation or the discharge of responsibility of the Auditor.
- to monitor and confirm the independence of the Auditor by obtaining reports concerning the existing relationship between the Auditor and the company, including departments other than the Audit department, and to address this relationship with the Auditor.

- to examine with the Auditor the risks challenging his independence and the measures taken to reduce said risks. to meet with the Auditor separately and on a regular basis in order to address any point that the Committee or the Auditor feels should be addressed in private.

*With respect to compliance*

- to check the effectiveness of the system of monitoring compliance with the laws and regulations and the results of investigations carried out by the Management and monitoring any non-compliances.
- to analyze the reports of any examination carried out by regulatory entities and all the comments made by the Auditor.
- to check the procedures for handling complaints and information received by anonymous accusations concerning doubtful accounting and audit matters.
- to check the procedures for the communication of any rules or internal code of conduct applicable to the personnel of the company and the procedures for ensuring compliance with these rules and codes.
- to obtain regular reports from the company's Management and legal adviser relating to compliance problems.

*With respect to reporting*

- to report to the Board on a regular basis on activities, problems and related recommendations handled by the Audit Committee with respect to financial, strategic and operational matters.
- to ensure there is open communication between the Management, the Auditor and the Board.
- to draw up annual reports for the shareholders describing the Audit Committee's composition and responsibilities and the manner in which they are executed, as well as any information required by any rules in force.
- to check any other report issued by the company that deals with the responsibilities of the Audit Committee.

*With respect to other responsibilities*

- to carry out any other activity related to the audit, as required by the Board.
- to initiate and checking any special surveys that are considered necessary.
- to perform any additional role entrusted to the Audit Committee by the Board of Directors

***Development process for financial information***

During the control of the development process for financial information, the Audit Committee examines in particular the relevance and consistency of the accounting standards applied by the company and its subsidiaries. This includes the rules for the evaluation and accounting policies specified by the Board of Directors for the consolidated accounts of the group.

This review should include the assessment of the correctness, completeness and consistency of the financial information. The review should cover the periodic information before it is made public. It is based on an audit program adopted by the Audit Committee.

The Management will inform the Audit Committee of the methods used to account for transactions, in particular the significant and unusual operations when several accounting treatments are possible. It is appropriate, in this respect, to pay particular attention to the existence and to the justification of

any activity carried out by the company through a foreign subsidiary and/or by means of special purpose vehicles.

The Audit Committee will discuss the important questions as regards the development of the financial information with the Management and the Auditor.

More information in this respect is annually provided in the Corporate Governance Statement in the Annual Report.

### ***Internal control and risk management systems***

The control of the effectiveness of the internal audit and risk management systems set up by the Management is carried out at least once per year, in order to ensure that the main risks (including the risks related to fraud and compliance with the legislation and rules in force) are correctly identified, managed and communicated in accordance with the reference framework approved by the Board of Directors.

The Audit Committee will examine the comments relating to the internal audit and the risk management included in the Corporate Governance Statement.

The Audit Committee will examine the specific arrangements in place that the staff of the company can use to share their concerns, in confidence, in connection with possible irregularities concerning the development of the financial information or other subjects. If need be, mechanisms will be adopted to allow a proportioned and independent investigation into this matter in order to ensure the appropriate monitoring of it and making it possible for the staff to inform the Internal Auditor or the Chairman of the Audit Committee directly.

### ***Meetings***

The Audit Committee meets at least four times a year and is authorised to organise additional meetings if circumstances so require.

The Audit Committee shall meet at least once a year in the presence of the Auditor and in the absence of any executive member of the company.

The Audit Committee shall have access to all information concerning the company that it deems necessary to carry out its responsibilities. The Audit Committee is authorised to carry out or to authorise surveys on any subject, within the limits of its responsibilities. The Audit Committee is authorised to use the services of an adviser, accountants or other external personnel to advise the Committee or to assist it in carrying out a survey, if these resources are used in a reasonable manner.

The Audit Committee is authorized to meet any qualified person without any member of the Management being present.

The meeting agendas will be prepared and submitted in advance to the members by the Chairman, as will the appropriate briefing material. At the end of each of its meetings, the Audit Committee will draw up minutes, accompanied by brief comments, which it will report to the Board at its next meeting.

The Audit Committee controls and evaluates its functioning on a regular basis (minimum once every two or three years and requests the approval of the Board for the suggested changes).



## Part V: The Management of Atenor Group

### V.1. Introduction

The Management of the company consists of (i) the Managing Director and (ii) the Executive Committee (which is chaired by the Managing Director).

The Management:

- is responsible for the managing the company
- sets up internal controls (systems for the identification, evaluation, management and monitoring of the financial and other risks), based on the reference framework approved by the Board of Directors, without prejudice to the Board of Directors' monitoring role;
- submits to the Board of Directors a complete, timely, reliable and accurate preparation of the financial statements, in accordance with the accounting standards and the policies of the company;
- prepares the appropriate communication for the financial statements and other important financial and non-financial information of the company;
- submits to the Board of Directors an objective and comprehensible evaluation of the financial standing of the company;
- provides the Board of Directors in good time all the information necessary for the execution of its obligations;
- is responsible to the Board of Directors and reports on the performance of its duties to it.

In performing this role, the Management is responsible for compliance with all current laws and regulations and, particularly, for keeping to the legal and regulatory framework that applies to each Atenor Group company.

The Board of Directors has entrusted to the Management the powers necessary to allow it to fulfil its responsibilities and obligations. The Management has sufficient margin for manoeuvre to propose and implement the strategy of the company while taking account of its values, the level of risk that it agrees to take and its key policies.

Clear procedures exist for the following points:

- proposals by the Management for decisions to be made by the Board of Directors;
- decision-making by the Management;
- reporting to the Board of Directors on the key decisions made by the Management;
- evaluation of the Managing Director and other members of the Management.

These procedures are reviewed and changed, if necessary, to ensure the effective exercise of the respective powers and obligations of the Board of Directors and the Management.

In accordance with the Articles of Association, the Board of Directors may delegate the day-to-day management as well as the Company's representation with respect to this management to one or more Board members or to one or more directors or employees. It appoints and dismisses the delegates to this Management, who need not be members of the Board of Directors, and it specifies their remuneration and determines their powers. The Board of Directors has delegated this day-to-day management and the representation of the company concerning this management to the Managing Director of Atenor Group, Stéphan Sonnevillle s.a., represented by Mr Stéphan Sonnevillle. Within the framework of this management, the Managing Director may also grant special, defined powers to one or more persons of his choice.



## V.2. The Managing Director

### ***Responsibilities***

The responsibilities of the Managing Director are as follows:

- He is Atenor Group's highest-ranking manager. Accordingly:
  - he personifies and communicates Atenor Group values clearly. For example, he sets the tone and through his behaviour inspires the conduct of Atenor Group managers and each of Atenor Group members;
  - he reviews, defines and submits to the Board of Directors proposals and strategic choices likely to contribute to the growth of Atenor Group;
  - he implements the decisions of the Board of Directors;
  - he appoints, dismisses, chairs, organises and leads the managers of the various activities of the company. To these persons:
    - (i) He gives direction and provides support and advice in the execution of their individual responsibilities;
    - (ii) he specifies the objectives, evaluates their performance and determines their remuneration, in consultation with the Remuneration Committee;
  - he is the main spokesman for Atenor Group vis-à-vis the outside world.
  - he chairs, organises and leads the Executive Committee;
- He actively contributes to the exercising of their responsibilities by the Board of Directors and the Chairman; to this end:
  - he maintains an ongoing interaction and dialogue with the Board of Directors in an atmosphere of respect, trust and sincerity;
  - he submits proposals to the Board of Directors or to its Committees concerning matters reserved for the Board of Directors;
  - he provides the Board of Directors with information that is useful for the successful exercise of its powers;
  - he has regular contact with the Chairman, who he involves in strategic initiatives;
  - he examines any issues together with the Chairman, and specifically items to be included on the agendas of the Board Meetings and its Committee Meetings.
- He is responsible for the group's day-to-day management and exercises all other powers that the Board of Directors decides to grant him.

### ***Appointment and Term Of Office***

The Board of Directors appoints the Managing Director. The delegation of the day-to-day management is made for an indefinite period. This mandate is revocable ad nutum by the members of the Board of Directors.

### ***Remuneration and Performance Evaluation***

As stated above, the NRC decides on the Managing Director's remuneration, based on the delegation given by the Board of Directors. Each year, the NRC determines the Managing Director's objectives for the coming financial year and evaluates his performance over the past twelve months. This evaluation of the Managing Director's performance is also used to set the variable portion of his annual remuneration.

## V.3. The Executive Committee

### ***Responsibilities***

The Executive Committee ensures follow-up on the decisions made by the Board of Directors, as well as the day-to-day management; it does not however have any powers of delegation or representation. It prepares strategic choices and acquisition, investment and disinvestment plans and proposes them to the Board of Directors. Moreover it follows up on the subsidiaries by taking up mandates within their respective Boards of Directors.

The Executive Committee meets on a weekly basis.

It meets at a minimum frequency of four meetings per month.

The Chairman of the Board of Directors may attend the Executive Committee meetings as an observer.

### ***Policy of partnership with the Management***

Atenor Group encourages the members of its management, on the one hand, to be invested on a purely personal basis in the shareholding of the company and, on the other hand, to co-invest in the real estate projects.

This policy aims at involving the Management in the growth of the whole of Atenor Group, but also in the selection and management of each real estate project.

The members of the Management and the staff have acquired significant participations in the capital of Atenor Group; the Managing Director is a party to the shareholders' agreement concluded in November 2006.

In addition, the Board of Directors and Management have agreed on a (maximum) 10 % participation by the Management in various real estate projects of the company.

This partnership policy thus contributes to aligning the interests of the Management with those of Atenor Group by associating it in the risks and the perspectives of its activities from a long-term point of view.

## Part VI: Atenor Group Auditing

### VI.1. The Auditor

#### *Role and services*

Atenor Group's auditor is authorized to provide the following services:

#### *With respect to auditing services:*

The purpose of the audit services is to certify that the financial statements faithfully reflect the company's financial situation. They include the following specific elements:

- an opinion from the Auditor on the consolidated annual accounts;
- an opinion from the Auditor on the statutory annual accounts of the various companies, where required by the legislation;
- an opinion on the mid-year financial statements;
- in a general, any opinion incumbent on the Auditor pursuant to legislation or local regulations.

#### *With respect to audit-related services:*

The audit-related services include the services and other work traditionally provided by the Auditor. In general, these lead to a certification or the communication of a specific opinion following an investigation and include the auditing of firms acquired or in the process of being sold, as well as due diligence services; the auditing of the financial statements concerning employee benefit plans, or the communication of opinions or audit reports on the information provided by Atenor Group at the request of a third party (prospectus, comfort letter).

#### *With respect to non-audit-related services:*

These include tax services and consulting services. In accordance with Atenor Group policy concerning the independence of the Auditor, the latter cannot provide any service that could impede upon the aforementioned basic principles of independence. As a result, the following categories of services are prohibited:

- accounting or any other services associated with the accounting records of financial statements;
- services involving estimation or valuation or the issuance of *fairness opinions*;
- the design and implementation of financial information systems;
- actuarial services;
- management functions, as well as executive recruitment and human resource services;
- brokerage services and investment advisory services or investment banking services;
- legal services;
- legal audit.

Atenor Group's Audit Committee is responsible for the prior approval of all of the audit and other services to be provided by the Atenor Group Auditor.

### ***Nomination***

The Audit Committee submits to the Board of Directors a proposal on the selection, appointment and re-election of the Auditor as well as the terms of its employment. The Board of Directors submits a proposal for approval to the Shareholders.

The proposal of the Audit Committee on the appointment of the Auditor is included in the agenda of the General Meeting. The same applies for the proposal for renewal of its mandate (art. 130 C. soc., art 533 C. soc.).

The Audit Committee inquires into the questions having led to the resignation of the Auditor and makes recommendations concerning any measure required.

### ***Independence***

The Auditor:

- confirms each year in writing to the Audit Committee his independence with respect to the company
- informs the Audit Committee each year of the additional services provided to the company
- examines with the Audit Committee the risks weighing on his independence and the precautionary measures taken to attenuate these risks, consigned by him (art. 526bis, §6 C. soc.).

The Audit Committee will receive a report from the Auditor describing all the contacts between the Auditor on the one hand, and the Company and its group on the other hand.

The Audit Committee also checks the nature and extent of the additional services that were provided.

The Audit Committee proposes to the Board of Directors and applies a formal policy specifying the types of additional services that are:

- excluded;
- authorized after examination by the Committee; and
- officially authorized taking into account the specific requirements of the Companies Code.

### ***Functioning***

Without prejudice to the legal provisions requiring reports or notifications by the Auditor to the administrative bodies of the company, the Auditor will submit a report to the Audit Committee on the important questions appearing during the exercise of his task of statutory audit of the accounts, in particular the significant weaknesses of the internal audit taking into consideration the financial information process (art. 526bis, §5 C. soc.).

In addition, the Auditor may have direct contact with the Chairman of the Board or with the chairman of the Audit Committee, outside the formal meetings of the Board of Directors or the Audit Committee.

The Audit Committee will review the effectiveness of the external audit process and examine to what extent the management takes account of the recommendations letter that Auditor sends to it.

The Audit Committee checks the Auditor's performance and independence on behalf of the Board of Directors. The quality of the Auditor's services is evaluated every three years within the context of the renewal of his mandate. With respect to independence, the Auditor is required to comply with laws and local regulations, as well as with the International Audit Standards.

## VI.2. The Internal Auditor

An Internal Auditor function was established following the decision of the Board of Directors of December 13, 2005. His resources and skills are appropriate for the nature, size and complexity of the company.

The Internal Audit Charter of Atenor Group s.a. was approved by the Audit Committee on November 14, 2006 and the Board of Directors on December 13, 2006.

The Audit Committee makes recommendations on the selection, nomination, re-election and dismissal of the head of the Internal Audit and on the budget allocated to the Internal Audit. It examines to what extent the management takes account of the conclusions and the recommendations of the Audit Committee.

### **Summary of the Internal Audit Charter**

#### ***Mission***

The Internal Audit is an independent and objective activity that gives the Board of Directors a guarantee concerning the degree of control of the operations carried out by the company, provides its advice for improving them and contributes to creating added value.

The mission of the Internal Audit consists of independently evaluating the organisation of the work and the procedures in place within the company with a view to achieving the objectives set by the Board of Directors. For this purpose, by means of a systematic and rigorous approach, the Internal Auditor evaluates the effectiveness of the procedures for risk management, control and management.

The Internal Auditor assists the Board of Directors and the Audit Committee in monitoring the application of the Corporate Governance. The Internal Auditor is permanently invited to the meetings of the Audit Committee.

It is the responsibility of the Internal Auditor to organise and apply an audit plan that has sufficient scope to give the Audit Committee and the management an assessment of the degree of security with which the transactions are carried out. The audit plan is always based on an analysis of the risks.

By means of audits and inspections, the Internal Auditor will write up recommendations and opinions or express comments intended to improve the internal control.

#### ***Objectives***

The primary objectives of the Internal Auditor are to identify and limit risks that could impair or even prevent the realisation of the company's objectives. These objectives will be achieved in particular through the evaluation of the effective and efficient functioning of the internal audit system.

### ***Competence and responsibilities***

The ultimate responsibility for determining and maintaining the internal audit system falls to the Board of Directors and the management.

The Internal Auditor will assume responsibility for the evaluation of the internal audit system.

The Internal Auditor has no direct authority or operational jurisdiction over the activities that he examines or over the individuals that he audits. He does not have to impose procedures of competence or make commitments in activities that he must normally audit.

### ***Independence and methodology***

In order to guarantee his independence with respect to the departments and services, the Internal Auditor reports directly to the Managing Director but has direct access to the Chairman of the Audit Committee without having to justify any request and does not carry any direct operational responsibility.

The Internal Auditor may not be tasked either with the concrete organisation or with the management of activities that he audits. The assistance that could be supplied in the extension of the recommendations does not reduce the possibility of a later independent evaluation.

In the performance of his tasks, the Internal Auditor will apply the generally accepted principles and standards that are normal for his profession. He will act in accordance with a professional code that imposes impartiality, objectivity, honesty and discretion.

### ***Scope***

Any activity or automated system that furnishes support for it may be the object of an audit or inspection assignment.

Transactional audits are performed with the intention of ensuring that the internal audit system is appropriate to controlling the business risks.

The Internal Auditor will formulate opinions concerning specific aspects of the risk control or operational aspects of the matters that he audits, on his own initiative or at the request of the Audit Committee.

### ***Planning and reports***

The Internal Auditor will establish an annual program based on an analysis of the risks and taking account of the expressed needs. He will submit the annual programme for approval by the Audit Committee.

After each mission, the Internal Auditor will send a report containing his observations, recommendations or remarks to the departments or services with competence and a summary to the Audit Committee and the Managing Director.

### ***Coordination with the other instances***

Within the scope of his missions, the Internal Auditor will have access to all data, subject to legal, contractual, regulatory or ethical arrangements to the contrary.

The Internal Auditor will assist the Auditor in the practical exercise of his certification assignment.

## Part VII: Market Abuse and Conflicts of Interest

Atenor Group has taken measures to ensure compliance with the legal provisions concerning market abuse by making each of its directors, members of the management as well as all employees and members of staff, sign a code of conduct concerning, among other things, the handling of confidential information and the prevention of insider trading.

Each member of the management and the Board of Directors will organize his personal and professional affairs so as to avoid any conflict of interests, direct or indirect, with the company.

Atenor Group will also ensure that all transactions and other contractual relations between the company, the directors and the members of the management that are not covered by the legal provisions concerning conflicts of interests take place in strict compliance with the principle of “arm's length”.



## Part VIII: Shareholder Structure and Shareholder Agreement

On 31 December 2011, the structure of the shareholding is as follows:

|  | Number of Shares | %             | Of which shares that are part of the concerted action |
|--|------------------|---------------|---|
| TRIS n.v. <sup>(1)</sup>                   | 604.880          | 12,01         | 604.880   |
| SOFINIM n.v. <sup>(1)</sup>                | 604.880          | 12,01         | 604.880   |
| Luxempart s.a. <sup>(1)</sup>              | 523.500          | 10,39         | 505.000   |
| ALVA s.a. <sup>(1)</sup>                   | 504.880          | 10,02         | 504.880   |
| Stéphan Sonneville s.a. <sup>(1) (2)</sup> | 259.818          | 5,16          | 150.500   |
| <b>Sous-total</b>                          | <b>2.497.958</b> | <b>49,59</b>  | <b>2.370.140</b>                                      |
| Actions propres                            | 154.452          | 3,06          |   |
| Public                                     | 2.386.001        | 47,35         |   |
| <b>Total</b>                               | <b>5.038.411</b> | <b>100,00</b> |   |

<sup>(1)</sup> *Signatories of the Shareholders' Agreement*

<sup>(2)</sup> *Managing Director, company controlled by Mr Stéphan Sonneville*

This shareholding is committed to supporting the Group in its development strategy by collaborating in the execution of its business plan and by contributing its skills to it. Its representation on Atenor Group Board of Directors enables it to be actively involved in the Group's general policy and strategy. This balanced and composed shareholding of stable companies of proven reliability in their respective branches of industry has a long-term vision of its participation in the Group. This shareholding stability is made concrete by reciprocal commitment through a shareholders' agreement signed in November 2006 for a five-year period thus guaranteeing the Group's continued existence and growth.

This shareholders' agreement establishes a reciprocal right of pre-emption in the event of a transfer of shares, but it does not involve any restriction on the shareholders' freedom or independence, or on the directors appointed on their proposal.

In compliance with article 74 of the law of 1 April 2007, the signatories of the Shareholders' Agreement have communicated to the company that they held as a joint holding, on the date of the aforementioned law coming into effect, more than 30% of the securities with voting rights. This declaration is renewed annually.

The company is not aware of any other relationship or private agreement between the shareholders.