



# **CORPORATE GOVERNANCE**

## **GROUPE FORREST INTERNATIONAL S.A.**



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The Corporate Governance Charter of GROUPE FORREST INTERNATIONAL S.A. adheres to the clauses of the Belgian Code of Company Governance ("2009 Code"), drafted by the Corporate Governance Commission (<http://corporategovernancecommittee.be>) and designated as the Code of reference by the Belgian legislator.

GROUPE FORREST INTERNATIONAL S.A. Corporate Governance Charter establishes a set of strict rules in terms of management, administration and transparency, with respect to its shareholders, collaborators and partners in the States in which it exercises its activities of an economic, social and/or financial nature.

GROUPE FORREST INTERNATIONAL S.A. has published its Corporate Governance Charter on its Website. It is either mentioned in or attached to the GROUPE FORREST INTERNATIONAL S.A. documents of reference and sent upon request to any person wishing to find out about the subject.

GROUPE FORREST INTERNATIONAL S.A. Corporate Governance Charter is completed with a chapter on "Ethics and Responsibility," comprising 15 constraining commitments applicable to all of the companies and collaborators of GROUPE FORREST INTERNATIONAL S.A.



## THE CORPORATE GOVERNANCE PRINCIPLES\*

### PRINCIPE 1

The company shall adopt a clear governance structure ;

### PRINCIPE 2

The company shall have an effective and efficient board that takes decisions in the corporate interest ;

### PRINCIPE 3

All directors shall demonstrate integrity and commitment;

### PRINCIPE 4

The company shall have a rigorous and transparent procedure for the appointment and evaluation of the board and its members ;

### PRINCIPE 5

The board shall set up specialised committees ;

### PRINCIPE 6

The company shall define a clear executive management structure ;

### PRINCIPE 7

The company shall remunerate directors and executive managers fairly and responsibly ;

### PRINCIPE 8

The company shall enter into a dialogue with shareholders and potential shareholders based on a mutual understanding of objectives and concerns ;

### PRINCIPE 9

The company shall ensure adequate disclosure of its corporate governance.

\* Code 2009



## GROUPE FORREST – CORPORATE GOVERNANCE

### A. BOARD OF DIRECTORS : ROLES & RESPONSABILITIES

The role of the Board rests on two fundamental elements: Decision making and monitoring. The decision making function consists in the elaboration of fundamental policies and strategic objectives in unison with management, as well as approving certain important measures. The monitoring function is related with examining management decisions, the relevance of systems and controls and the implementation of policies. The Board of Directors specifies the official delegation of powers by defining the limits of powers and the authority of the management and by delegating to the management certain powers related with running the Group's activities. This delegation of powers requires the responsibilities of the Board, which cannot be delegated to the management. All responsibility that is not delegated to the management remains that of the Board of Directors and its possible committees (verification, remuneration, human resources, ethics and governance committees). When it is necessary due to the family structure of the organisation, responsibilities normally assigned to different committees of the Board may be attributed to one or several of its members.

Within the framework of exercising its responsibilities, the Board may consult the management without restrictions and has the power to choose and hire a legal adviser, an accounting advisor or another independent advisor to assist it to fulfil its responsibilities, and to conclude the provision of services, as well as to authorise the payment of fees.

Here are some of the Board's activities ensuing from these responsibilities:

#### 1. Strategic planning processes

- I. To supervise the drafting and orientation of the Group's strategic plans and priorities and to annually approve the strategic plan.
- II. To monitor the implementation and efficiency of strategic plans and approved exploitation.
- III. To review and approve the Group's financial objectives and exploitation plans, including all the operations whose amounts exceed the thresholds fixed by the Board.
- IV. To approve the main business decisions, including the dividends policy.

#### 2. Determining and managing risks

- I. To ensure that procedures are implemented in order to determine the main risks associated with the Group's activities.
- II. To examine the systems implemented by management in order to manage these risks.
- III. To examine the procedures that ensure adherence to the applicable legal requirements, particularly those associated with regulations.



### **3. Succession planning and the evaluation of management performance**

- I. To supervise the process of the Group's succession planning, including the selection, appointment, training, appraisal and remuneration of members of the Board, the CEO and top executives.

### **4. Supervising communications and the communication of information**

- I. To supervise the establishment of processes for communicating to the public in the appropriate time correct and comprehensive information, including the policy of communicating Group information.
- II. To examine the processes and diligent verification controls regarding the confirmation of the Group's financial status.

### **5. Internal controls**

- I. To examine the efficiency of the Group's internal controls and information management systems.
- II. To examine and approve the financial statuses and annual and three-monthly reports.
- III. To supervise compliance with the applicable requirements in terms of verification, accounting and presenting the information.
- IV. To approve the dividends, as well as investments, the disposal of assets, expenses and operations whose amounts exceed the thresholds fixed by the Board.

### **6. Culture of integrity**

- I. To define the Group's values.
- II. To ensure the promotion and implementation of a culture of integrity throughout the entire company.

### **7. Governance**

- I. To draft a set of principles and guidelines on the subject of governance.
- II. To elaborate appropriate structures and procedures to enable the Board to act independently to the management.
- III. To implement where necessary, Board committees to share the following activities among different members of the Board:
  - Auditing committee, remuneration and human resources committee, strategic committee, ethics and governance committee.
- IV. To establish the responsibilities of the administrators with respect to Board meetings, notably the attendance, preparation and participation in those that are expected of them.

\*Frequency of meetings: Every three-months.

\*Résolutions : Decisions: The decisions are made by consensus. In the event of disagreement, the President decides. The Board divides the tasks among its members, without this division affecting the collective responsibility.

\*The members of the Board of Directors have no hierarchical link or direct operational responsibility over the daily management sphere of the Group.



## **B. ROLES & RESPONSABILITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS**

### **1. President**

The President of the Board is Mr. George Arthur Forrest. In the future, Mr. George Arthur Forrest may name his successor or assign this task to his Board.

The main role of the President of the Board is to ensure that the Board fulfils its responsibilities in an efficient manner and that it understands and respects the limits between the Boards' responsibilities and those of the management. He is responsible for developing and maintaining good (ethical) business practice, recruitment, dismissal, evaluating the remuneration of members of the Board, the CEO and the managing executives, relations with customers internal and external to the Group, the financial sector, the community and governments. Some of these responsibilities can be delegated to a third party under mandate by the President of the Board and/or shared with the CEO of the Group.

### **Specific responsibilities**

In addition to carrying out certain special mandates at the request of the Board of Directors, the Chairman of the Board has the following duties:

#### **Board management and company governance**

In consultation with the CEO, to plan and organise the activities of the Board of

- I. Directors, ensuring, among others:
  - i. The drafting of the order of the day and frequency, as well as the preparation and running of the Board meetings;
  - ii. The quality, quantity and appropriateness of the information provided to the Board;
  - iii. The creation of committees and integration of their recommendations into the work of the Board;
  - iv. The development of the Board, including the recruitment, dismissal, appraisal and remuneration of the administrators;
  - v. The ongoing official and unofficial communication, with and between the administrators.
- II. To preside over the Board meetings and to ensure that the Board efficiently fulfils its functions.
- III. To ensure that enough time is allocated during the Board meeting to efficiently discuss the points in the order of the day and for key questions and concerns.
- IV. When the functions of the Board have been delegated to committees or a member of the Board, to ensure that the results are reported to the Board.
- V. To participate in the orientation and mentoring of new administrators and the continuous training of administrators in their posts.



### **Relations with shareholders and other stakeholders**

- I. To chair the shareholders' meeting.
- II. To support the efforts of the Board and to create and maintain in force practices meeting the expectations and guidelines of the shareholders and other stakeholders.
- III. In consultation with management, to respond to the concerns of shareholders concerning governance or other matters affecting the Board.
- IV. To represent the Board during meetings with regulatory organisms.
- V. To represent the Board during meetings with the main shareholders or other stakeholders on matters of governance.

### **Relations with management**

- I. To make unrestricted use of the access it has to management.
- II. To advise the CEO on important issues.
- III. To promote the efficiency of the communication between the administrators and the management, both during the Board meetings and outside their framework.
- IV. To work in collaboration with the CEO to ensure that the management strategies, plans and performance are presented adequately to the Board.
- V. To participate in the supervision of succession plans for key management positions, as well as to establish the CEO's performance objectives and evaluate his achievement of the agreed objectives.
- VI. To advise management in terms of strategic planning.

## **2. Vice-presidents**

The vice-presidents of the Board of Directors have the following responsibilities:

- I. To actively participate in the work of the Board.
- II. To substitute the President in the event of absence, according to the modalities preestablished by the Board.
- III. To be responsible for projects or activities specifically assigned by the Board (can equally be attributed to one or several members of the Board, according to the modalities preestablished by the Board).

## **3. Members**

The members of the Board of Directors have the following responsibilities:

- I. To participate actively in the work of the Board.
- II. To be responsible for projects or activities specifically assigned by the Board.





## C. EXECUTIVE COMMITTEE (COMEX) : ROLES AND RESPONSABILITIES

The executive committee (COMEX) of the Group is invested with autonomous powers to ensure the management of the Group according to the general strategy defined by the Board of Directors. The members of COMEX are appointed by the Board of Directors and adopt centralised management, despite their geographical distance and particularly through defined responsibilities. The management team of the Group also plays a key role in all the activities of governance and by providing accurate and timely information to the Board, in order to assist the administrators to fulfil their responsibilities in terms of monitoring.

The responsibilities of COMEX are as follows:

1. To inspire and implement the Group's general strategy.
2. To set consolidated objectives.
3. To pilot strategic projects the responsibility for which was allocated by the Board.
4. To decide upon priorities.
5. To manage the necessary measures to carry out the strategy allocated by the Board.
6. To pilot and monitor the operations of the Group.
7. To adjust the commercial or industrial policy of the Group if necessary.
8. To ensure the correct functioning of the Group as a whole.

\* Frequency of meetings: Every month.

\* Decisions: The decisions are made by consensus. In the event of disagreement, the CEO decides

The COMEX divides the tasks among its members, without this division reducing its collective responsibility.



## **D. ROLES & RESPONSABILITIES OF THE MEMBERS OF THE EXECUTIVE COMMITTEE (COMEX)**

### **1. CEO**

The CEO relieves the Board of which he is a member. He has the ultimate responsibility of managing the Group with the aim of maximising the return on the shareholders' invested capital and to ensure the profitability of the Group, the smooth running of its operations, its durability and sustained growth.

**The CEO of the Group has the following responsibilities:**

**The inspiration and execution of the Group's mission, vision and strategy:**

- I. To ensure that the mission, vision and values of the Group are communicated throughout the whole organisation and that the means of communication function on all levels and in both directions, so as to maintain productivity and professionalism within the Group.
- II. To inspire strategic planning, submit it to the Board and to monitor its execution.
- III. In unison with the president of the Board, to plan and manage external development initiatives, including commercial approaches and to supervise the realisation of company acquisition projects and the disposal of assets approved by the Board.
- IV. To ensure the maintenance of effective communication with the president of the Board as well as with the administrators, such that they are informed about all the relevant information that may have a material effect on the Group, its resources, its capital, its employees and its shareholders.
- V. To help and collaborate with the President of the Board to prepare the Board meetings.
- VI. To situate the execution of his responsibilities within the perspective of the social, economic, political, environmental and competitive climate in which the Group is evolving.

**The constitution of a competitive team:**

- I. To recruit, develop, assess and maintain competent and productive management teams, to ensure that they attain the highest levels of excellence, notably through training, and to maintain constructive and transparent relations with their teams.
- II. To fix the annual performance objectives of the members of COMEX and to assess the results.
- III. To ensure the development and recruitment of the Group's employees to support growth, the global range of services and the positioning of the Group by promoting initiatives on a commercial level and by developing new products, services or markets.
- IV. To establish the criteria for achieving the objectives of top management members and their respective business and/or functional areas and to measure their performance.



- V. To establish the organisational hierarchy within the Group, in consultation with the president of the Board; and to prescribe the specific limits of delegated authority with respect to policies, contracts and expenses as well as personal actions.
- VI. To revise and approve recruitments, promotions and salary conditions of the persons reporting directly to him and other key executives, as appropriate, and to obtain the approval of the Board or the human resources and remuneration committee.

#### **The Company's operations management:**

- I. To manage all the Group's operations and to ensure the maintenance and development of components of excellence, notably operational efficiency, continuous improvement, the global range of services, the positioning of the Group and the development of new products and services.
- II. To present the Board with an annual business plan for each of its business entities, including the associated budgetary provisions.
- III. To analyse the operational results of the Group and its main components compared with the objectives set and to ensure that the appropriate measures are taken in order to resolve problematic situations.
- IV. To ensure the maintenance of a solid and adequate financial structure within the parameters approved and under mandate by the Board, to supervise the financing activities external to the Group.
- V. To ensure that all the necessary actions are taken to develop and protect the Group's assets in order to maximise the long-term returns on the shareholders' invested capital.
- VI. To review and approve the specific initiatives of the business entities requiring significant capital expenditure, while adhering to the global annual budget.
- VII. To represent the Group in its relations with important customers, suppliers, competitors, investors, the financial community, government agencies, professional associations and similar groups.
- VIII. To coordinate the activities of members of top management by means of different committees and occasional meetings and to work with them towards the establishment an execution of business plans and objectives for their respective business areas.
- IX. To supervise the legal matters of the Group, including those for which the Group or its administrators could be held responsible.