

# Corporate Governance Charter

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## Barco nv

# Corporate Governance Charter



# Corporate Governance Charter

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## Foreword

*The Corporate Governance Committee was established on 22 January 2004. The Committee was created at the initiative of the predecessor of the Financial Services Market Authority (FSMA), the Federation of Enterprises in Belgium and Euronext Brussels.*

*Its original purpose was to draft a single reference code for Belgian listed companies. The Belgian Corporate Governance Code was published on 9 December 2004. On 12 March 2009, the Committee published the 2009 edition of the Belgian Corporate Governance Code. This new edition replaces the previous 2004 edition.*

*On 6 June 2010, the legislator has designated the 2009 Code as the reference code for listed companies.*

*Listed companies have to adhere to the principles and provisions of the Code. However, deviations from the Code may sometimes be justified, unless the Law states to the contrary. If a company believes it must deviate from the principles or the provisions of the Code (in the interest of the company or, for example, to ensure continuity in policy), it has to justify and explain the deviation. This is the so-called 'comply or explain' approach.*

*Barco NV subscribes to the principles of good management and transparency as laid down in the Code. If the company exceptionally deviates therefrom, it shall explain such deviation. Any deviations from the Code, together with the reason therefor, shall be listed in the Corporate Governance Statement of the annual report. At the annual general meeting, the company shall also inform its shareholders of any developments in its Corporate Governance practice. Finally, the remuneration report shall be submitted to a vote by the shareholders pursuant to the Law (Article 554).*

*Barco NV – The Board of Directors*

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## Definitions

In this Corporate Governance Charter, the following definitions apply:

**The "Chairman":** is the chairman of the board of directors.

**The "Code":** is the 'Belgian Code on Corporate Governance' of 12 March 2009 as referred to in the Royal Decree of 6 June 2010. This code is available via the link: [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be) or the Belgian State Gazette (Belgisch Staatsblad/Moniteur belge) of 28 June 2010.

**The "Law":** is the Company Code ('Wetboek van Vennootschappen'/'Code des Sociétés').

**The "Articles of Association":** are the articles of association of Barco NV, which are available on the Barco website: [www.barco.com/en/about-barco/corporate-governance](http://www.barco.com/en/about-barco/corporate-governance).

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## TITLE 1. GOVERNANCE STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

PRINCIPLE 1.	THE COMPANY APPLIES A CLEAR GOVERNANCE STRUCTURE
PRINCIPLE 2.	THE COMPANY HAS AN EFFICIENT BOARD OF DIRECTORS WHICH TAKES DECISIONS IN THE INTEREST OF THE COMPANY
PRINCIPLE 3.	ALL DIRECTORS GIVE EVIDENCE OF INTEGRITY AND DEDICATION
PRINCIPLE 4.	THE COMPANY HAS A RIGOROUS AND TRANSPARENT PROCEDURE FOR THE NOMINATION AND EVALUATION OF ITS BOARD AND THE MEMBERS OF THE BOARD

### 1.1 Composition of the board of directors

The board of directors consists of at least five directors, of which at least three shall be independent. The board of directors leads the company. At least half of the directors are non-executive directors. The independent directors comply with both the criteria contained in the Law (Article 524 §4) and the criteria contained in the Code (Appendix A). If an independent director no longer meets the criteria, he or she shall inform the board of directors hereof without delay.

The board of directors intends to propose to the general meeting to appoint directors for a period not to exceed four (4) years.

The appointment is made on the proposal of the board of directors, which bases its decision on the recommendation by the remuneration and nomination committee. This committee shall watch over the diversity of the members of the board of directors. The proposal contains all useful information relating to the candidate director, including a detailed resume, and indicates whether the candidate is independent or not.

The term of service ends at the closing of the annual meeting that takes place in the year in which the mandate expires. Directors can be reappointed at the end of their mandate. The directors can be dismissed at any time by the general meeting.



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The board of directors is presided by the Chairman, who creates a climate of confidence and encourages open and constructive discussion. The board of directors elects this chairman from its members for a period that is limited to four (4) years or the remaining duration of his or her current mandate.

The board of directors appoints the secretary of the board of directors, who is charged with the duties stipulated in the Code (Principle 2.9).

## **1.2 Appointment of directors**

The remuneration and nomination committee proposes candidates for a vacant director's position, based on a desired profile as determined by the board of directors, considering the knowledge and experience already present within the board of directors.

Executive directors are required to have in-depth experience in operational management of companies.

Directors may not have more than five (5) director's mandates in listed companies, including the director's mandate at Barco. Any changes in these mandates or additional mandates shall be brought to the attention of the Chairman without delay.

The Chairman shall provide the necessary introduction of new directors in order to ensure their rapid participation in the activities of the board.

## **1.3 Evaluation**

The Barco board of directors has four responsibilities:

- (a) To evaluate, on a regular basis and under the Chairman's supervision, the size, the composition and the performance of the board of directors and its committees, as well as its interaction with executive management.
- (b) To establish, evaluate and adjust the strategy of the Barco group in ongoing consultation with the CEO and management.
- (c) To oversee the use of the available resources, the compliance with the societal, social and legal obligations and the upholding of the standards and ethical values of the group.
- (d) To coach the management of the Barco group in the implementation of the strategy and group structure.

The evaluation shall be performed on the basis of the above responsibilities.

On a regular basis, the Chairman shall organize individual consultations with the directors on the basis of a list of questions made available beforehand. The following points shall be dealt with in this consultation:

- (a) The relationship between the board of directors and Barco management
  - Is there enough information available?
  - Is this information made available in a timely manner?

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- Are questions answered completely and in a timely manner?
- (b) Operation of the board of directors
  - Is an open discussion possible in the board of directors?
  - Can all points of view be heard?
  - Are the discussions professional and relevant?
  - Are the discussions concluded with a clear decision process?
- (c) Contribution of the individual directors
  - Does the director in question participate sufficiently in the discussions?
  - Does the expertise of the director add sufficiently to the discussion?
- (d) Chairmanship of the board of directors
  - Does the Chairman lead the board in an effective manner?
  - Is everyone given the right to speak?
  - Do the decisions reflect the discussion and the consensus of the directors?

The Chairman shall submit a written report on this evaluation to the board of directors, after which, if necessary, the directors will draw the appropriate conclusions. In the Corporate Governance Statement in the annual report, information shall be given about the main characteristics of the evaluation report of the board of directors, its committees and its directors.

## **1.4 Operation of the board of directors**

The board of directors takes all actions that are required to achieve the objectives of the company, except for those actions that only the general meeting is qualified to undertake according to the Law.

The board of directors meets at least eight (8) times a year on preset dates, as well as anytime when the need arises.

The Chairman is responsible for ensuring that, at each meeting, the board receives the most recent information concerning the different divisions of the company: key information and detailed financial reports at group level with consolidated key figures per division shall be made available each month. The uniformity of this reporting allows to make comparisons in time and between the different divisions and business units.

The board of directors can deliberate and make decisions on matters listed on the agenda, provided that at least half of its members are either present or validly represented at the meeting. The members of the board of directors shall have the right to ask questions and to discuss all the matters which they wish to discuss. If an important decision must be taken, however, then it shall be included as an item on the agenda of a following meeting.

The aim is to achieve maximum participation of all members of the board at each meeting, either through physical presence or, if necessary, via telephone or videoconference links.



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The Chairman draws up the agenda of the meeting in consultation with the CEO. The secretary of the board of directors takes the minutes of the meeting. The directors who attended a meeting shall be requested to approve and sign the minutes of this meeting at the next meeting.

The board of directors shall deliberate and decide in accordance with the Articles of Association (Article 21), it being understood that the board of directors shall endeavor, insofar as possible, to make unanimous decisions in the interest of the company. In the exercise of their duties, all directors shall maintain the necessary independence.

Furthermore, the directors shall not use the information they acquire in their capacity as a director for any other purposes than the exercise of their mandate as a director. Insofar as possible, they shall also keep their personal and business interests separate in order to avoid (direct and indirect) conflicts of interest with the company. Directors, who have a financial interest which conflicts with a decision or action falling under the authority of the board of directors, shall inform the board of directors hereof without delay in accordance with the Law (Article 524 ter).

The board of directors has established guidelines for transactions or contractual obligations between the company, including its subsidiary companies, and the members of the board of directors.

## **1.5 Most significant topics discussed by the board of directors**

The board of directors decides on the values and strategy of the company, taking into account its risk appetite, and sees to the translation of these values and strategies into policies. The board of directors discusses a.o. the annual and quarterly results, the short-term plan (profit plan), the medium-term plan, financing, legal and regulatory issues, acquisitions, divestitures and strategy, of both the company and its subsidiaries. Other subjects, such as major organizational changes, personnel matters (e.g. stock option plans), external communication, quality management and current affairs (e.g. major IT projects and technological evolution) are frequently discussed within the board of directors.

## **1.6 Supervision of day-to-day management**

The board of directors has delegated the day-to-day management to the CEO. The CEO is assisted by an executive management team, called the Core Leadership Team (CLT), which consists of the divisional, regional and functional leaders of the company. The CEO may subdelegate to the members of the executive management team part of the day-to-day management pertaining to their divisions, regions or functions.

These members are also regularly invited to the board meetings to provide information on the results of their divisions, short- and long-term planning, and important investment projects.

The board of directors monitors the performance of the executive management and evaluates the implementation of the company's strategy. For this purpose, the board

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of directors approves a framework of internal supervision and risk management, drawn up by the executive management.

## **1.7 Execution of the management function**

The directors make decisions based on an independent judgment, taking into account the legal and statutory provisions related to the matter they decide on. Without prejudice to the general powers of representation of the board of directors as a joint body, two directors, acting jointly, can legally represent the company for all relevant matters.

The CEO acts as the company's legal representative for all day-to-day management matters. The CEO may grant special and specific powers with respect to the day-to-day management within certain limitations to executive managers or specially appointed representatives. The company is legally bound by their acts and commitments within the limits of the authority granted to them. Any delegation of powers is properly communicated, both internally and externally.

## **1.8 Remuneration of directors**

The general meeting approves the remuneration of the directors.

The board of directors distributes the total remuneration approved by the general meeting among the directors in accordance with the following principles:

- (a) The non-executive directors' remuneration solely consists of:
  - (i) a fixed remuneration;
  - (ii) attendance fees for meetings of the board of directors and the committees.

The non-executive directors are not entitled to any variable remuneration based on the company's financial results, its stock price or any other criterion linked to its performance.
- (b) Executive directors receive a base salary, as well as a performance and results-linked remuneration.

The board of directors is authorized to grant remuneration to directors entrusted with special functions or tasks. These are charged as general costs.

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## TITLE 2. COMMITTEES SET UP BY THE BOARD OF DIRECTORS

### PRINCIPLE 5. THE BOARD OF DIRECTORS SETS UP SPECIALIZED COMMITTEES

#### 2.1 Committees set up by the board of directors

The board of directors has set up a number of specialized committees to analyze specific matters and advise the board thereon. The (final) decision, however, remains the responsibility of the board of directors. These committees are the (i) audit committee, (ii) the remuneration and nomination committee and (iii) the strategic and technology committee.

The board of directors may decide to set up any other committees that it may deem necessary.

The board of directors determines the composition and responsibilities of each committee that it sets up. The role and competences of each committee are specified in this charter. At the initiative of the Chairman, the members and the chairman of each committee are appointed by the board of directors. The remuneration and nomination committee assists the Chairman in this matter. Each committee consists of at least three members.

In the selection of the members of the committees, due consideration shall be given to any applicable requirements pursuant to the Law and the Code as well as the expertise or skills required for the optimal operation of each committee.

Each committee may at its discretion invite other persons to attend its meetings.

After informing the Chairman, each committee may seek external professional advice at the company's expense concerning subjects that fall under its competence.

After each meeting of a committee, the board of directors shall receive an oral or written report on its deliberations and recommendations.

#### 2.2 Audit committee

The audit committee is composed of three members, all of whom must be non-executive directors. The audit committee meets under the chairmanship of a non-executive director other than the Chairman.

The board of directors sees to it that the audit committee possesses sufficient relevant expertise, particularly regarding financial, accounting, audit and legal matters, to be able to carry out its function effectively.

The members of the audit committee are appointed for a period that does not exceed the duration of a director's mandate.

The board of directors assigns the following tasks to the audit committee:

- (a) Relating to the external audit function:
  - Determine the selection criteria for the statutory auditor;
  - Make the selection on the basis of these criteria;

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- Submit a proposal regarding the appointment, reappointment or dismissal of the statutory auditor;
- Propose the remuneration and conditions of recruitment of the statutory auditor;
- Evaluate the independence of the statutory auditor;
- Establish the policy for engaging the statutory auditor for non-audit services;
- Follow up this policy;
- Evaluate the effectiveness of the external audit;
- These assignments are to be executed in line with the powers reserved to the board of directors and the general meeting.

(b) Relating to the internal audit function:

- The audit committee sees to it that there is an internal audit function in the company with the necessary resources and expertise.
- The audit committee approves the appointment and the dismissal of the head of the internal audit.
- The audit committee participates in planning the internal audit operations.
- The audit committee monitors the internal audit operations and evaluates their effectiveness.

(c) Relating to the periodical reporting:

- The audit committee evaluates all the proposals of the executive management relating to the accounting principles used in the company.
- The audit committee ensures that the financial reporting is done in a truthful, honest and clear manner.
- The audit committee ensures that a sound system for making reliable forecasts is implemented.
- The audit committee inquires into the quality of financial information before it is presented to the board of directors.
- The audit committee verifies the information that is periodically made public.
- All of the above is discussed with both the executive management and the external statutory auditor.

(d) Relating to the occasional reporting:

- Important occasional information that can have a material impact on the share price must be checked by the chairman of the audit committee before publication.

(e) Relating to the internal control system:

- Evaluation of the internal control system set up by executive management.
- Analysis and approval of the notes about internal controls published in the annual report.

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- The audit committee also develops a procedure to enable company employees to express concerns about possible irregularities in a confidential manner.
- (f) Relating to risk management:
- The audit committee assesses the effectiveness of the systems introduced to identify, evaluate and manage the risks inherent to the activities of the company.
  - The audit committee assesses the notes about risk management published in the annual report.
- (g) Relating to compliance:
- The audit committee evaluates the effectiveness of the systems set up to ensure compliance with the laws and regulations applicable to the company and the code of ethics.
- (h) Relating to reporting to the board of directors:
- The audit committee reports regularly to the board on the performance of its tasks. These reports list all items that, according to the audit committee, require measures to be taken or that require improvement. In addition, recommendations are made concerning the measures to be taken.

The above tasks are carried out for the entire group.

The audit committee meets at least four times a year. Each year, the audit committee assesses its composition and its operation, it evaluates its own effectiveness, and it makes the necessary recommendations regarding these matters to the board of directors.

The audit committee meets at least twice a year with the statutory auditor and the head of the internal audit to consult with them about matters falling under the power of the committee and about any matters arising from the audit. Normally, this happens at the semi-annual and annual closing of financial figures.

The CEO, the CFO and the statutory auditor also attend the meeting of the audit committee, unless the members of the audit committee wish to meet separately. At least once a year the audit committee meets in the absence of executive management and the executive director(s).

The statutory auditor and the head of the internal audit shall have direct and unlimited access to both the chairman of the audit committee and the Chairman.

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## 2.3 Remuneration and nomination committee

The board of directors sets up one committee, combining the remuneration committee and the nomination committee. This committee is composed of non-executive directors, the majority of which shall be independent (Art. 526 quarter of the Law).

The Chairman may chair the remuneration and nomination committee. However, the Chairman may not chair this committee when it must determine the remuneration of the Chairman.

The CEO participates in the meetings when the remuneration and nomination plan proposed by the CEO for members of executive management is discussed, but not when his own remuneration is being decided.

The remuneration and nomination committee meets at least twice a year, as well as anytime when changes are necessary in the composition of the board of directors, be it appointments or reappointments.

In fulfilling its responsibilities, the remuneration and nomination committee shall have access to all resources that it deems appropriate, including external advice.

The remuneration and nomination committee shall see to it that the appointment and reappointment process proceeds as objectively and professionally as possible. In this regard, the remuneration and nomination committee shall make recommendations to the board of directors concerning the appointment of directors. More specifically, it must:

- (a) Draft appointment procedures for directors;
- (b) Periodically assess the size and composition of the board of directors and make recommendations to the board of directors regarding any changes;
- (c) Identify and nominate, for approval by the board of directors, candidates to fill vacancies if and when they arise; candidates proposed by management and/or shareholders shall be taken into account in this process;
- (d) Perform a thorough analysis of the aspects that are related to succession planning;
- (e) Assist the board of directors in the appointment of the members of executive management upon recommendation of the CEO, unless otherwise decided by the board of directors.

The remuneration and nomination committee sees to it that the remuneration policy is implemented as objectively and professionally as possible.

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The board of directors charges the remuneration and nomination committee with the drafting or assessing of proposals for the board relating to:

- (a) The remuneration policy for non-executive directors and the proposals that must be submitted to the shareholders;
- (b) The remuneration policy for the CEO, relating to:
  - (i) the main contractual terms, including the most important characteristics of the pension plans and the arrangements provided for terminating the contractual relationship;
  - (ii) the remuneration, including:
    - the relative importance of each component of the remuneration;
    - the performance criteria that apply to the variable elements;
    - the fringe benefits.
- (c) The approval of the appointments and the remuneration policy, as proposed by the CEO relating to executive management (excluding the CEO), with respect to:
  - (i) the main contractual terms, including the most important characteristics of the pension plans and the arrangements provided for terminating the contractual relationship;
  - (ii) the remuneration, including:
    - the relative importance of each component of the remuneration;
    - the performance criteria that apply to the variable elements;
    - the fringe benefits.

The remuneration and nomination committee also assists the board in the determination of the individual remuneration, including (depending on the situation) bonuses and long-term incentives – whether or not related to company shares – in the form of warrants/stock options or other financial instruments, unless otherwise decided by the board of directors.

The remuneration and nomination committee is also responsible for establishing the selection criteria and selecting and stipulating the competences of each consultant who advises the committee. Such consultant must state whether or not he or she has any other relationships with the company.

## **2.4 Strategic and technology committee**

The board of directors establishes a strategic and technology committee consisting of at least three members, including the Chairman and the CEO. The Chairman presides over this committee.

Members of the executive management and other members can be invited to attend meetings of the strategic and technology committee.

The committee meets at the request of either the Chairman or the CEO. The committee meets at least once (1) a year to evaluate the existing strategy.

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On the CEO's proposal, the strategic and technology committee shall discuss options that could influence the strategic path followed by the company. Possible topics that may be discussed in this committee include acquisitions, divestitures and mergers.

Other important strategic choices shall also be discussed in the committee, such as investing in new technologies, markets or regions that could have an important impact on the company's future.

This relates to investments spanning a number of years and involving a minimum commitment by the company of ten million Euro (€ 10 million) over the entire duration of the project.



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## TITLE 3. EXECUTIVE MANAGEMENT

PRINCIPLE 6. THE COMPANY DEVELOPS A CLEAR EXECUTIVE MANAGEMENT STRUCTURE

### 3.1 Executive management structure

#### Definition

The executive management is composed of all executive management team members. These include:

- the CEO;
- division managers;
- region managers;
- functional managers.

#### Appointment

The board of directors decides on the selection and nomination of the CEO. The CEO proposes the selection and nomination of the executive management to the remuneration and nomination committee for approval.

#### Role

The board has delegated to the CEO the responsibility for day-to-day operations. The Chairman works closely together with the CEO and offers him support and advice, with respect to the executive responsibility of the CEO. The CEO executes this responsibility with an executive management team by assigning the proper responsibilities to the business divisions, regions and corporate positions. The day-to-day operations include investments in tangibles and intangibles, purchase and sales contracts, and hiring and dismissing personnel, all in line with the profit plan agreed by the board of directors.

Once a year (December), the CEO proposes a profit plan for the next year. This plan details the day-to-day operations for the following year. This profit plan contains orders, sales, profit, working capital and manpower per division and per region. The board approves or amends this plan. This plan is to be executed and followed up by the CEO. The CEO issues a monthly report to the board to give an update on the status of the implementation of the profit plan.

Once a year (June), the CEO proposes a strategic plan for the next three years. The board comments on this plan and either approves or amends it.

At any time in the year, the board can call for a review of this profit or strategic plan.

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Executive management further sees to:

- (a) the production of internal controls based on the framework approved by the board of directors;
- (b) the preparation and publication of the annual accounts and other tangible financial and non-financial information in conformity with the legal and statutory provisions.

Finally, executive management provides the board of directors with a justification and an account of the execution of its tasks.

## **3.2 Accountability to the board**

On a monthly basis, the CEO and executive management provide an overview of the financial status of the company with respect to orders, sales, profit, working capital, manpower, etc. per division and per region. This information is provided within the third week of each month and also covers information relating to the previous month. This information is discussed during every meeting of the board of directors.

If necessary, executive management prepares action plans not yet defined in the profit plan of the current year, to respond to changes in market conditions or in supplier or customer positions, and it discusses this plan with the board of directors.

On a quarterly basis, the CEO and executive management discuss the financial position of the company in depth with the audit committee by giving more detailed information than the information contained in the monthly reports.

## **3.3 Decision-making policy**

Each year the CEO proposes next year's profit plan for approval to the board of directors. The CEO has the authority to implement the profit plan as approved by the board of directors and without the board's further authorization or consent. The CEO can delegate the implementation of the profit plan, either entirely or in part, to one or more executive managers. Should it become apparent during the year that important points of the profit plan approved by the board of directors cannot be realized, the CEO shall inform the board of directors of the fact and the board can then commission the drafting and elaboration of an adjusted plan which, after approval, shall be implemented by the CEO.

In any event, the following management decisions are subject to the prior approval of the board of directors:

- The granting of a loan to a subsidiary or a third party in which the company does not hold a majority interest;
- The acceptance of loans or other credit facilities exceeding € 50 million;
- Any acquisition exceeding € 3 million;
- Any acquisition outside the company's core businesses;

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- Any divestiture or discontinuation of a business activity with sales exceeding € 5 million;
- The granting of any corporate guarantee in favor of a third party, exceeding € 5 million;
- The acquisition, sale or the granting of or entering into a long-term lease, rent or concession of real estate for a cumulative period exceeding 9 years;
- Long-term leases of investment goods of more than 5 years and exceeding a lease cost of € 100,000;
- The granting of mortgages, liens or other encumbrances on any property;
- The hiring of executive management or people with a yearly gross salary exceeding € 300,000;
- Any acquisition of shares and assets of another company exceeding € 3 million.

In addition, the board should approve major decisions that are not in line with the profit plan.

For all major investments, at least two board members need to sign or authorize by way of a specific power of attorney the CEO or its named delegate(s) to sign.

The board delegates the day-to-day operations, in line with the profit plan, to the CEO. The CEO and executive management shall make the decisions concerning day-to-day operations on the basis of their role and responsibility in the company, in conformity with the statutory provisions and internal policies and procedures. If two executive managers share the same responsibility, they should reach a consensus. Otherwise, the CEO shall make the decision.

## **3.4 Evaluation of the CEO and executive management**

Evaluation and review of the performance of the CEO and executive management is based on performance and objectives.

The objectives for executive management (except those of the CEO) are agreed between the individual executive managers and the CEO, after consultation with the remuneration and nomination committee. At least once a year the remuneration and nomination committee and the CEO evaluate the performance of executive management and give each executive manager feedback on an individual basis regarding his/her performance. The evaluation criteria are a combination of profit, working capital, the company's long-term growth and measures to promote quality.

The evaluation criteria for the CEO shall be proposed by the CEO and approved by the board of directors. At least once a year, the board of directors evaluates the CEO and gives him/her feedback with regard to this evaluation.

The CEO is not present when his/her performance is evaluated. The evaluation criteria are:

- (i) performance;
- (ii) leadership;

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- (iii) potential for future development;
- (iv) contribution to team spirit;
- (v) ethical values.



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## TITLE 4. REMUNERATION

PRINCIPLE 7. THE COMPANY REMUNERATES THE DIRECTORS AND THE MEMBERS OF THE EXECUTIVE MANAGEMENT IN A FAIR AND JUSTIFIED WAY

### 4.1 Remuneration of the CEO and the executive management

#### 4.1.1 Remuneration of the CEO

The board determines the remuneration policy of the CEO based on a proposal by the remuneration and nomination committee, taking into account any applicable statutory provisions. The remuneration will ensure a competitive package and will consist of:

- (a) a base salary;
- (b) a variable remuneration determined by the company's performance of the previous year;
- (c) a contribution to the insurance and pension funds;
- (d) a long-term incentive based on warrants/stock options.

#### 4.1.2 Remuneration of executive management

The remuneration and nomination committee approves the remuneration of executive managers upon a proposal by the CEO, taking into account any applicable statutory provisions. The remuneration shall be a competitive package and shall consist of:

- (a) a base salary;
- (b) a variable remuneration determined by the company's performance of the previous year and the results of his/her division;
- (c) a contribution to the insurance and pension funds;
- (d) a long-term incentive based on warrants/stock options.

### 4.2 Evaluation of the executive management remuneration

The remuneration of the CEO and of every member of executive management shall be reviewed on a yearly basis:

- the base salary shall be determined by job responsibility;
- the variable remuneration shall be determined on the basis of formal objectives set at the beginning of the year and evaluated at the end of the year or, if applicable, the two consecutive years;
- the contributions to insurance and pension funds shall be based on the base salary;

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- the number of warrants/stock options shall be determined by his/her responsibility on the one hand and the long-term contribution to the company on the other hand.

## **4.3 Remuneration report**

The Corporate Governance Statement in the annual report shall include the remuneration report drafted by the company pursuant to the Law.

## **4.4 Termination of contracts and termination arrangements**

In the event of a contract being terminated, local legislation and jurisdiction shall apply to all executive managers who are employees of the company.

The termination arrangements shall be determined in line with the Law (Article 554) and the specific provisions included in the employment contract of the executive managers concerned.

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## TITLE 5. RELATIONSHIP WITH THE SHAREHOLDERS

PRINCIPLE 8. THE COMPANY ENTERS INTO A DIALOGUE WITH THE SHAREHOLDERS AND THE POTENTIAL SHAREHOLDERS, BASED ON A MUTUAL UNDERSTANDING OF ONE ANOTHER'S GOALS AND EXPECTATIONS

### 5.1 Equal treatment of shareholders

The company shall treat all shareholders in an equal manner.

### 5.2 Communicating with shareholders and potential shareholders

In view of a good relationship with all shareholders, the company organizes a number of activities aimed at optimal communication with and information of shareholders and potential shareholders. Amongst others, the company organizes road shows, company visits and analyst & investor days on an international scale. A mutual understanding of expectations and concerns is aspired to in this manner.

A specific section of the company's website is reserved for providing information to the (potential) shareholders.

The investors and corporate governance portals on the company's website ([www.barco.com](http://www.barco.com)) offer all the regular and occasional information that enables the shareholder to exercise his or her rights in a knowledgeable manner.

These sections refer to the most recent version of the coordinated Articles of Association, the Corporate Governance Charter, information regarding the annual meetings, major holdings and disclosure of manager's transactions.

Shareholders who cross, either up- or downwards, the threshold of three (3) percent of the company's share capital on a fully diluted basis must disclose their holdings of shares in accordance with Article 50 of the Articles of Association and the Law. A subsequent disclosure is required for each crossing, either up- or downwards, of the threshold of five (5) percent and each multiple of five (5) percent of the company's share capital. These shareholders will be mentioned by name in the annual report as well as on the company's website. No special control rights have been granted to certain categories of shareholders.

### 5.3 General meeting of the shareholders

The Chairman shall preside over the general meeting and shall lead it in such a way that there will be sufficient time to answer the shareholders' questions. The results of the ballots shall be posted on the website as soon as reasonably practical after the meeting.

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Shareholders who wish to add topics or resolutions of decision to the agenda of the general meeting or submit written questions to the board of directors or the statutory auditor with respect to the agenda or their reports must do so in accordance with the requirements of the Law (Article 533ter or 540 respectively). The notice for the general meeting will indicate the procedure for submitting such additional topics, resolutions of decision or written questions. The shareholders will also be offered the opportunity to ask questions verbally during the general meeting itself.

Shareholders who represent more than one-fifth of the share capital can, in accordance with the Articles of Association (Article 30) and the Law (Article 532), request the convening of a special general meeting.

On the website of the company ([www.barco.com](http://www.barco.com)), shareholders will find the necessary information and documents enabling them to attend the general meetings or to cast their vote by proxy.



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## TITLE 6. PUBLICATION

PRINCIPLE 9. THE COMPANY GUARANTEES THE SUITABLE PUBLICATION OF ITS CORPORATE GOVERNANCE POLICY

The company shall use the Code as a reference code for its Corporate Governance Policy.

This Charter contains the main aspects of the Corporate Governance Policy of the company. This Charter shall be updated on a regular basis and is published on the Corporate Governance portal of the company's website ([www.barco.com](http://www.barco.com)).

Pursuant to the Code, the company will include in each annual report a Corporate Governance Statement with all legally required and relevant information pertaining to the company's corporate governance practices.

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## TITLE 7. SPECIFIC BINDING GUIDELINES

### 1. TRANSACTIONS IN FINANCIAL INSTRUMENTS RELATED TO BARCO MARKET ABUSE PREVENTION POLICY

This Market Abuse Prevention Policy aims to prevent market abuse (Insider Dealing, unlawful disclosure of Inside Information and Market Manipulation). It summarizes the obligations imposed on Barco as an Issuer of Financial Instruments, on its Directors and Senior Managers, as well as persons closely associated with them, and on those employees and other persons carrying out activities for Barco, who may have access to Inside Information.

The Market Abuse Prevention Policy aims to translate in a concise and readable manner the obligations imposed by the EU Regulation of 16 April 2014 n° 596/2014 on market abuse and the Corporate Governance Code 2009. It is not meant to serve as legal advice. Each person concerned must regularly make the necessary enquiries so as to adopt his or her behaviour to satisfy any market abuse related requirements that may apply while carrying out activities for Barco.

The board of directors has appointed the General Counsel as Compliance Officer to assume the responsibilities described in this Market Abuse Prevention Policy and to ensure compliance therewith by all persons concerned. Any questions regarding market abuse (Insider Dealing, unlawful disclosure of Inside Information and market manipulation) and compliance with this Market Abuse Prevention Policy must be addressed to the Compliance Officer. If the Compliance Officer is not available, the CEO or CFO can assume his or her role in case of an emergency.

Administrative fines of at least € 5.000.000 may apply in case of Insider Dealing or unlawful disclosure of Inside Information. Moreover, Insider Dealing or the unlawful disclosure of Inside Information will be considered a breach of Barco's Code of Ethics ([Code of Ethics](#)) and may lead to disciplinary actions up to and including termination of employment. All disciplinary actions will be taken in compliance with local law.

Capitalized words and expressions shall have the meaning set forth in Annex A attached hereto.

#### 7.1 Inside information

As a general rule, it is prohibited to disclose Inside Information. Anyone receiving Inside Information on Barco or another listed company with which Barco is actively maintaining a relationship, must forthwith inform the Compliance Officer thereof, undertake appropriate actions to maintain the confidential nature of the Inside Information and refrain from disclosing it without the prior written consent of the Chairman.

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The board of directors shall inform the public as soon as possible of Inside Information which directly concerns Barco, in a manner enabling fast access and complete and timely assessment thereof by the public, unless it decides to delay disclosure to protect the legitimate interests of Barco pursuant to art. 17.4 of the EU Regulation of 16 April 2014 n° 596/2014.

The board of directors shall make available on Barco's website, for a period of five years, all Inside Information which it was required to disclose publicly.

## **7.2 Insider dealing**

### 7.2.1 Prohibition of Insider Dealing

It is expressly prohibited to :

- (a) engage or attempt to engage in Insider Dealing; or
- (b) recommend that another person engages in Insider Dealing or induce another person to engage in Insider Dealing.

These obligations apply in particular to :

- Directors
- Senior Managers
- Persons closely associated with Directors or Senior Managers, such as :
  - o spouse or partner
  - o dependent child
  - o relative who has shared the same household for at least one year on the date of the transaction concerned
  - o a legal person, trust or partnership, the managerial responsibilities of which are discharged by a Director or Senior Manager or by a person referred to above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such person, or the economic interests of which are substantially equivalent to those of such a person.
- Those employees and persons carrying out activities for Barco, who may have access to Inside Information.
  - o Assistants to the Senior Managers
  - o Employees responsible for
    - Internal & external communication
    - Internal audit
    - Financial planning & controlling, consolidation & treasury
    - Legal, risk & compliance
    - Business/sales operations

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- o Dedicated consultants and advisors who are working for any of these functions, such as statutory auditors, communication agencies or copywriters.

## 7.2.2 Insider list

The Compliance Officer establishes and regularly updates a list (“Insider List”) of all persons who have access to Inside Information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to Inside Information, such as advisers, accountants or credit rating agencies. The Insider List consists of a section with persons who have permanent access to Inside Information, as well as a section with persons having access only to Inside Information related to a specific event or transaction during a limited timeframe.

The Compliance Officer will inform each person by email of the fact that he or she is included in the Insider List and, if Inside Information related to a specific event or transaction during a limited timeframe no longer exists, is removed from the Insider List.

Each person mentioned on the Insider List must acknowledge in writing that he or she is aware of the legal and regulatory duties as well as the sanctions pertaining to Insider Dealing and unlawful disclosure of Inside Information.

## 7.2.3 Trading in financial instruments related to Barco NV

### 7.2.3.1 Trading windows - closed period

Directors and Senior Managers shall not conduct any Transactions on their own account or for the account of a third party during a closed period of 30 calendar days before the release of the trading update, half year or full year financial results.

If Inside Information related to a specific event or transaction arises, the Compliance Officer shall announce a prohibited closed period as soon as the board of directors or the CLT has knowledge of the Inside Information. The prohibited period shall last until the Inside Information related to a specific event or transaction ceases to exist. During the prohibited period, Directors, Senior Managers and employees having knowledge of such Inside Information shall refrain from conducting any Transaction.

The Compliance Officer shall make the trading windows during which trade in the shares, debt instruments, derivatives or other financial instruments related to Barco NV is allowed, save for trade during any ad hoc prohibited period, available on Barcozone ([Trading in Barco Shares](#)). Orders with price limits related to such trade must be limited in time to the duration of these trading windows.

The Compliance Officer may allow Directors and Senior Managers on a case-by-case basis to conduct Transactions during a closed period due to the existence of

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exceptional circumstances or due to the characteristics of the trading involved for Transactions made under employee share or saving schemes such as warrant or stock option plans, provided that such Transactions do not amount to market abuse.

Speculative short-term Transactions, such as short-term warrants and/or stock options trading, short selling and hedging of warrants/stock options awarded within the framework of warrant/stock option plans, are prohibited.

Specific rules apply for share buy-back programs.

## 7.3.3.2. Warrant and stock option plans

The Corporate HR Department reports to the Compliance Officer all warrants or stock options exercised by Directors, Senior Managers and designated employees at the end of each exercise period.

The exercise periods under the warrant and stock option plans are aligned with the trading windows so that the warrants or stock options can only be exercised during the trading windows. The Compliance Officer may exceptionally allow the mere exercise, but not the sale, of warrants or stock options outside the trading windows on a case-by-case basis.

## 7.3.3.3. Reporting of Transactions

The directors and members of the CLT as well as persons closely associated with them shall inform the Compliance Officer and the FMSA of every Transaction conducted on their own account within three business days after the date of the Transaction. Transactions must only be reported once a total amount of EUR 5.000 has been reached within a calendar year. Such report shall include a statement of amount, price and date of the Transaction.

Transactions by persons professionally arranging or executing transactions on behalf of a director or CLT member, including where discretion is exercised, must also be reported.

Directors and CLT members must report their Transactions through the FMSA's application "eMT" (<https://portal-fimis.fsma.be/nl/Account/HomePublic>). They may mandate another person to report their Transaction, but will remain liable for complying with their reporting obligations. Online reports will be confirmed by the Issuer and forwarded to the FSMA.

Barco NV will report the Transactions on its website per category (Directors, Senior Managers, employees) after every quarter.

## 7.3.3.4. Persons closely associated with Directors and CLT members

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Directors and CLT members must inform the Compliance Officer of, and regularly update the Compliance Officer on, the persons closely associated with them, being:

- A spouse, or a partner considered to be equivalent to a spouse in accordance with national law
- A dependent child, in accordance with national law
- A relative who has shared the same household for at least one year on the date of the transaction concerned

Directors and CLT members shall inform the persons closely associated with them in writing of their obligations with respect to managers' transactions, and shall keep a copy of this notification.

## **7.3. Market Manipulation**

It is expressly prohibited to engage or to attempt to engage in Market Manipulation.

### **Annex A : Definitions**

Barco: Barco NV and its subsidiaries

Board of Directors: board of directors appointed by the shareholders of Barco NV (please see: <http://www.barco.com/en/about-barco/board-of-directors>)

CLT: executive management, also called the core leadership team, of Barco (please see: <http://www.barco.com/en/about-barco/executives>)

Compliance Officer: General Counsel of Barco

Director(s): member(s) of the board of directors

Senior Managers : members of the CLT

FSMA: Financial Services Market Authority

Insider Dealing: the situation whereby a person possesses Inside Information and uses that information by acquiring or disposing (or by cancelling or amending an order for the acquisition or disposal) of, for its own account or for the account of a third party, directly or indirectly, Financial Instruments to which that Inside Information relates.

Inside Information: information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more Issuers or to one or more Financial Instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those Financial Instruments or on the price of the related derivative Financial Instruments. Inside Information can, for example, relate to:

- Release of half or full year financial results or trading updates;

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- Revised forecasts of results such as a profit warning;
- Acquisitions or divestitures;
- Material contracts and orders;
- Significant restructuring;
- Major litigation;
- Unexpected decisions about dividend payments.

Insider List: the list referred to in article 7.2.2 hereof.

Issuer: a legal entity governed by private or public law, which issues or proposes to issue Financial Instruments. For the purpose of the Market Abuse Prevention Policy, Barco NV is considered an Issuer.

Financial Instruments: transferable securities, money-market instruments, options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities.

Market Manipulation: the behavior which manipulates, or attempts to manipulate, the supply of, demand for, or price of, a Financial Instrument by, among others, giving false or misleading signals, placing fictitious orders, disseminating rumors, etc.

Transaction: purchase or sale of, the pledging of, or vesting of a similar security interest in, the lending of, shares, debt instruments, derivatives or other financial instruments related to Barco NV.

## 2. CONFLICTS OF INTEREST

### Basic principles

The Law provides a means of settling conflicts of interest that arise within the context of a director's mandate.

In the interest of the company, members of the board of directors must assume a number of additional obligations, which can be summarized as follows:

- (a) Independence: in exercising their mandate, the directors must be totally independent in their judgment.
- (b) Conflicts of interest: any appearance of conflicting interests between Barco NV and its directors must be avoided.
- (c) Transparency: any potential conflict of interest must be reported during the relevant board meeting of Barco NV.

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## Interests relating to the director's mandate

The legal provisions on conflicts of interest for directors apply to the decisions that fall under the power of the board of directors and that meet the following conditions:

- (a) It must concern an interest relating to a tangible or intangible asset, advantage or avoidance of a disadvantage: this means that a financial impact is or may be related to the interest.
- (b) Only a conflicting interest is intended: the "conflicting interest" relates to the decision to be taken, and not necessarily to the company: in this sense, "conflicting" means that the position of the director in question differs according to the decision taken.

The direct consequences of the applicability of these provisions are that the directors in question:

- (a) Must report their conflict of interest to the board of directors before a decision is taken;
- (b) Shall leave the meeting while this item of the agenda is being dealt with;
- (c) Shall not be permitted to participate in the deliberations and decision-making in relation to the topic in question.

## Functional conflict of interest

A director who is a director or business manager of a customer or supplier or who is employed by a customer or supplier shall report this fact to the board of directors prior to the deliberations concerning a topic on the agenda relating (whether directly or indirectly) to this customer or supplier. This obligation also applies when a family member of the director has the above-mentioned position.

The same rule applies when a director or his family members (whether directly or indirectly) hold more than 5% of the shares with voting rights of a customer or supplier.

Subsequently, the director in question:

- (a) Shall leave the meeting while this item of the agenda is being dealt with;
- (b) Shall not be permitted to participate in the deliberations and decision-making in relation to the topic in question.

These legal provisions are not applicable when the customer or supplier is a listed company and the participation of the director (or his family members) takes place within the framework of assets that have been placed under the management of an asset manager who manages these assets in accordance with his own judgment, without taking the director (or his family members) into account.



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The directors are aware of the great importance of the above rules in relation to the good management of Barco NV and they commit themselves to taking the utmost care to ensure that these rules are observed.

## 3. ABUSE OF COMPANY PROPERTY

### Principle

The directors are forbidden to make use of the property or the creditworthiness of Barco NV or its subsidiaries for personal purposes without being legally authorized to do so.

### The Criminal Code

The above-mentioned principle is broader than the Criminal Code, which sanctions a director who:

- a with fraudulent intentions and for personal (whether direct or indirect) gain
- b has made use of the property or the credit of a company
- c all the while knowing that this course of action was (significantly) financially detrimental to this company (and its creditors or associates).

The area of application of this provision is quite broad:

- (a) Use: not only are embezzlement or waste under consideration, but also the simple appropriation or the mere use;
- (b) The property of a company: not only moveable property is intended, but also real estate and even tangible goods; the company does not even need to be the owner of the property;
- (c) The credit of a company: this is used, for example, when a director uses the company as personal or business security for a private debt.

The main limitation that is found in the Criminal Code is that the company must be harmed in a significant manner for there to be a question of criminal abuse of company property: this is to prevent trivial cases from being brought up.

### Obligation to report

A director who doubts whether an action falls under the above provisions must request prior authorization from the Chairman of the board of directors. Naturally, such authorization will not serve to shield the director in question from possible criminal liability.

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## 4. GIFTS AND ENTERTAINMENT

### Principles

Directors and members of the executive management team undertake not to accept any benefits whatsoever from customers or suppliers, with the exception of the provision mentioned below.

The directors and members of the executive management team shall be permitted to accept gifts from customers or suppliers only when the acceptance of these gifts is consistent with the normal and accepted standards of business ethics.

## 5. BRIBERY

### Principle

Bribery penalizes directors who (whether directly or indirectly) propose, request or accept an offer, a promise or a benefit of whatever kind, either for him/herself or for a third party.

The Criminal Code here is aimed at:

- (a) Actions which are performed in his/her capacity as director; or
- (b) Actions which are facilitated by his/her capacity as director.

### Obligation to report

Directors and members of the executive management team undertake to report to the Chairman any circumstance involving any effort to bribe them in the sense stipulated above.