

CORPORATE GOVERNANCE CHARTER

SIOEN INDUSTRIES NV

Revised by the Board of Directors of Sioen Industries NV on 27/02/2018

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Introduction

1. Introduction

As an international company, Sioen Industries (the “Company”) attaches a great deal of importance to ensuring that its Corporate Governance system is accessible and comprehensible to its shareholders. The Company realises that the long-term trust of both domestic and international shareholders is a key element in its positive development. This is why the Company strives to ensure transparency as regards shareholders' rights, management and monitoring, as well as accounting principles.

The Company applies the principles of the Belgian Corporate Governance Code 2009 (the “Code”). In addition, and except as explained in the Charter or in the Corporate Governance Statement of its annual report, the Company complies with the Corporate Governance Provisions of the Code. The Company undertakes to continue to further develop and adjust its Corporate Governance Principles as part of an ongoing process, in order to deal with local and international developments in this field and to meet the needs of its shareholders.

The Company will therefore report on the status of its Corporate Governance on a regular basis, both in its annual report and in the relevant section of its website.

2. Company Profile

Sioen Industries NV is a diversified stock quoted Group with an extensive portfolio of products and activities: extrusion of man-made fibers, manufacturer of woven and non-woven fabrics and scrims, coater of technical textiles, manufacturer of technical protective garments for professional use and producer of color dispersions.

3. Legal Structure

Sioen Industries NV is the parent company of the Sioen Industries group. The Company’s registered address is Fabriekstraat 23 – 8850 Ardoonie – Belgium

PART I. THE SHARES AND SHAREHOLDERS OF SIOEN INDUSTRIES

I.1 The Shares

I.1.1 The Shares

In order to continue to be able to follow and ensure the growth of the Company and convinced that a transparent policy would strengthen the group's potential for growth still further, on 18 October 1996 Sioen Industries shares were floated on the spot market, double fixing, at the Brussels Stock Exchange. A year later the shares were quoted in the semi-continuous segment of the futures market and since 11 March 1998, they have been quoted on the continuous segment of the Brussels Futures Market, which has now become Euronext Brussels.

I.1.2 Form and conversion

The Company's registered capital is represented by shares without par value. The current amount of the registered capital and the current amount of issued shares are mentioned in the Articles of Association.

The shares are in registered or non-material form.

An owner of fully paid registered shares can request their conversion into non-material shares at the Company's expense.

An owner of non-material shares can request their conversion into registered shares at the Company's expense.

I.1.3 Dividends

The Company's dividend policy is the result of an annual appraisal of return for the shareholders and availability of free resources to fund growth opportunities.

I.1.4 Continuity mechanisms

The Board of Directors (the " Board ") has a number of mechanisms designed to ensure the continuity of their activities. These mechanisms can never be used solely in the interest of the management or the Board of the Company.

I.2 The shareholders

The Company ensures that all shareholders have the best possible access to all relevant information and promotes the exercising by all shareholders of their corporate rights.

It also ensures that all regulations relating to the distribution of periodic and occasional information are complied with promptly.

The Company holds a dialogue with the shareholders based on a mutual understanding of objectives.

At the moment, the Sioen family is, through Sihold nv, the principal shareholder of the Company, representatives of whom are also active as executive directors, including the Chief Executive Officer (the "CEO"). The Company acknowledges that the continuous support and involvement of the Sioen family and the stability of the shareholding body which they ensure are vitally important for the development of the Company, and beneficial to all shareholders. In this respect, the Articles of Association stipulate that as long as Sihold nv owns at least 35% of the shares in the Company directly or indirectly, the majority of the directors will be appointed from among the candidates proposed by this holding company.

The Board strives to ensure that the Sioen family makes carefully considered use of its position and respects the rights and interests of the minority shareholders.

Both Sioen Industries and its shareholders comply strictly at all times with the regulations on the public disclosure of holdings in listed companies, including the public disclosures relating to the shareholding body of Sioen Industries in its annual report required by law.

1.3 The General Shareholders' Meeting

The Ordinary General Shareholders' Meeting is held every year on the last Friday in April, at 2.00 pm. Extraordinary General Shareholders' Meetings may be convened as often as this is deemed necessary by the Board of the Company. Furthermore, shareholders representing at least 20% of the subscribed capital can request the convening of an Extraordinary General Shareholders' Meeting.

The agenda of the Ordinary General Shareholders' Meeting is proposed by the Board. This includes, amongst other things:

- the appointment of members of the Board and the Auditor;
- the discharge granted to members of the Board and the Auditor in relation to the fulfilment of their tasks during the previous financial period;
- the annual report of the Company;
- the annual appropriation of the net profit.
- The report of the statutory auditor
- Approval of the remuneration report

Shareholders representing 3% or more of the share capital, directly or indirectly, can put forward proposals to the Board for certain items to be included on the agenda.

Invitations to Ordinary General Shareholders' Meetings are sent to the holders of registered shares. A convening notice is also published in a daily newspaper in Belgium, in the *Belgisch Staatsblad* (the Belgian official State gazette), the Euronext website and on the Company's website at least 30 days before the meeting.

Shareholders may grant a power of attorney to any other person. Powers of attorney must be deposited at the registered office of the Company no later than the time when shareholders must notify the Company that they wish to attend the meeting.

General Shareholders' Meetings are led by the Chairman of the Board.

All shareholders who meet the requirements to be admitted to the meeting are entitled to ask questions about the annual report from the Board or about other items on the agenda. The Chairman or the Directors present at the meeting should answer the questions asked to the best of their ability, provided that such answers cannot result in any serious harm to the Company, the Shareholders or the staff of the Company. The questions and answers are recorded in the minutes of the meeting.

Each share entitles the holder to cast one vote. Abstentions and invalid votes are deemed not to have been cast. Each decision is accepted if it is approved by a majority of the votes cast. Decisions on modifications of the Articles of Association or on the dissolution of the Company require a quorum of 50% of the subscribed capital and a majority of at least 75% of the votes cast. Should the required capital not be represented at a meeting convened for this purpose, then another meeting will be convened and held within four weeks, which can take decisions with a majority of at least 75% of the votes cast.

The minutes of the General Shareholders' Meetings are drawn up and made available to every shareholder and published on the Company's website as quickly as is reasonably possible after the end of the meeting.

PART II. THE BOARD OF DIRECTORS OF SIOEN INDUSTRIES – TERMS OF REFERENCE

II.1 Governance Structure

In accordance with Articles 20 and 21bis of its Articles of Association, the Company is administered by its Board and by its Management Committee.

The primary decision-making body of the Company is its Board, under the leadership of the Chairman, with exception of matters reserved by the Companies Code or by the Articles of Association to the General Meeting of Shareholders, and subject to the management and operational powers delegated by the Board to the Management Committee under the leadership of the Chief Executive Officer.

II.2 Areas of competence and representation of the Board.

Given the existence of the Management Committee and the related transfer of operational areas of competence, the following matters remain the exclusive competence of the Board:

- the general policy of the Company. This includes, amongst other things, the definition of the strategic approaches, the approval of projects and budgets, major structural reforms and the determination of relations between the Company and its shareholders.
- matters which are reserved for the Board pursuant to the Companies Code, such as convening the General Shareholders' Meeting and drawing up the agenda for this meeting, establishing the annual accounts, drawing up the annual report, paying an interim dividend, the use of the authorised capital, drawing up the special reports required by the Companies Code;
- supervision of the Management Committee. To carry out this supervision effectively, the Management Committee reports in detail to the Board at regular intervals on the group's position and outlook. Moreover, the Board decides on any conflicts of interest that may arise within the Management Committee.
- In addition, the Management Committee Regulations describe a number of areas of competence reserved specifically for the Board.

The Board undertakes an evaluation at least every three years to determine whether it is fulfilling its tasks and responsibilities properly and efficiently.

On the basis of the results of this evaluation, the Chairman of the Board proposes appropriate measures to the Board. These may involve a proposal from the Board to the General Shareholders' Meeting to replace certain directors or appoint new directors.

As regards matters for which the Board is competent, the Company is validly represented in law or in respect of third parties by two directors, one of whom is also the CEO, or by the CEO and a member of the Management Committee.

As regards matter of day-to-day management, the Company is validly represented in law in accordance with the regulations of the Management Committee, it being understood basically that the four-eyes-principle is applied.

Both the Board and the CEO, each acting within their respective areas of competence and under their own responsibility, can grant special powers of attorney to persons within or outside the Company.

These special powers of attorney are examined regularly, at least once a year and, if necessary, improved, modified or withdrawn. If appropriate, the Secretary ensures that these powers of attorney and any improvement, modifications and withdrawals are properly and publicly disclosed.

II.3 Appointing directors. End of directors' duties

The directors of the Company are appointed for a maximum period of six years by a simple majority decision of the General Shareholders' Meeting.

Each director may be dismissed at any time by a simple majority decision of the General Shareholders' Meeting. Directors may also resign at any time. However, this resignation only takes effect when the Company has reasonably been able to provide for a replacement for the outgoing director.

Both natural persons and legal entities may be appointed as directors. If a legal entity is appointed as a director, in accordance with the applicable legal provisions, this legal entity should appoint a natural person as a permanent representative, who personally assumes joint liability for the performance of the director's duties.

Each director whose duties expire may be reappointed by the General Shareholders' Meeting.

The number of members of the Board is determined by the General Shareholders' Meeting at the proposal of the Board, it being understood that there must be at least three directors.

Should a director terminate his/her duties prematurely, in accordance with Article 15 of the Articles of Association, the remaining directors are entitled to provide for a temporary replacement. The next General Shareholders' Meeting is then requested to ratify this directorship. The director thus appointed completes the duties of the director he/she replaces.

The Board pays particular attention to ensuring efficient decision-making, reconciling the need for continuity and renewal within the Board and ensuring the required diversity and the complementary nature of the members of Board. The Board also ensures that the candidates proposed are suitable and adequately available to be able to fulfil their duties properly upon appointment.

II.4 Composition of the Board.

One member of the Board is elected as CEO of the Company. The CEO cannot at the same time be the Chairman of the Board.

The aim is for at least half of the members of the Board to be non-executive directors, at least three of whom should be independent.

Criteria of independence

All independent directors appointed in application of the Companies Code shall respect the following criteria:

- 1) Not being an executive member of the board, or exercising a function as a member of the legal management committee or as a person entrusted with daily management of the company or a related company or person, and not having been in such a position for the previous five years before his nomination.
- 2) Not having served for more than three terms as a non-executive director of the board, without exceeding a total term of more than twelve years.
- 3) Not being an employee of the senior management of the company nor a related company or legal personality as provided for in the Belgian Companies Code and not having been in such a position for the previous three years before his nomination;
- 4) Not receiving, or having received, any significant remuneration or other significant advantage of a patrimonial nature from the company, or a related company or person apart from any bonus or fee he receives or has received as a non-executive member of the board;

- 5) (a) Not holding any shareholder rights representing one tenth or more of the company's capital, the company's social funds or of a class of shares of the company;
- (b) If the independent director holds shareholder rights representing less than one tenth:
- not holding shareholder rights representing, together with the shareholder rights owned in the same company by companies controlled by the independent director, one tenth or more of the company's capital, the social funds or of a class of shares of the company; or
 - the disposal of those shares or the exercise of the related rights not being subject to contractual stipulations or unilateral undertakings given by the independent director;
- (c) Not representing, in any circumstances, a shareholder fulfilling the conditions covered under this point 5).
- 6) Not having, or having had within the financial reported year, a significant business relationship with the company or a related company or person , either directly or as partner, shareholder, member of the board, member of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry) of a company or person who maintains such a relationship;
- 7) Not being or having been within the last three years, a partner or employee of the current or former external auditor of the company or a related company or person;
- 8) Not being an executive director of another company in which an executive director of the company is a nonexecutive member of the board, and not having other significant links with executive directors of the company through involvement in other companies or bodies.
- 9) Not being a spouse, legal partner or close family member to the second degree of a director or member of the legal management committee or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry) in the company or a related company or person or of the persons referred to in (1) to (8) above.

II.5 The Chairman of the Board.

The Chairman of the Board is elected from among the members of the Board for a period which in principle corresponds to his/her duties as a director.

The Chairman guarantees that the Board operates in accordance with the Charter. Where necessary, he is assisted with this task by the Committees, to whose meeting he/she has a permanent invitation.

The Chairman organises, leads and chairs the Board. He/she plans the meetings of the Board and, in conjunction with the CEO, draws up the schedule of the meetings of the Board and the Committees. He/she prepares the general agenda for the meetings of the Board, covering the topics that have to be discussed during the year, as well as the agenda for each meeting, indicating for each item on the agenda whether this is for information, discussion or decision purposes.

The Chairman is consulted in advance on all proposals before they are put to the Board.

The Chairman supervises the quality of the continuous interaction and dialogue in the Board. The Chairman ensures that the Board receives up-to-date and relevant information about important aspects of the strategy, the business activities and the financial situation of the Sioen group, including developments regarding the competition. He/she takes initiatives to help establish and perpetuate a climate of respect, trust and openness within the Board in general and between the non-executive members of the Board and the Executive Management in particular.

The Chairman ensures that new members of the Board receive an appropriate guidance programme and that the training needs of individual board members are identified and satisfied.

The Chairman chairs the General Shareholders' Meetings and ensures that this runs efficiently.

In conjunction with the CEO, the Chairman represents and protects the interests of the Company by maintaining contacts with external institutions and by taking part in external policy fora.

The Chairman is in charge of organizing periodic performance appraisals through an extensive questionnaire that addresses the following items;

- The functioning of the Board or Committee.
- The effective preparation and discussion of important items
- The individual contribution of each Director.
- The present composition of the board or Committee against its desired composition.
- The interaction of the Board with the executive management

II.6 Functioning of the Board.

The Board is convened by the Chairman or, if he/she is unavailable, by the director with the most years' service, or by two directors.

The Chairman, assisted by the Secretary, ensures that all directors are informed properly and in time of each of the items on the agenda. Each director prepares thoroughly for meetings of the Board and takes an active part in the deliberations and discussions.

Invitations and related documents for the Board meetings are sent out at least two days before the meeting in question. This period can be shortened in cases of extreme urgency.

The Board can only validly deliberate if half of the directors are present or represented. If this is not the case, a new Board meeting can be convened, which can validly deliberate and decide as soon as two directors are present or represented .

Although according to Article 18, paragraph 3 of the Articles of Association, a director can grant written power of attorney to another director, however, the directors are fully aware that their personal presence at meetings of the Board is preferable.

The Board is entitled to request the assistance and/or presence of internal or external experts. The costs hereof are borne by the Company.

The Board is also entitled to invite members of the Management Committee or any other third party to meetings if their presence is useful or necessary.

The Board acts as a collegial body and in so doing takes decisions by a simple majority. In the event of an equality of votes, the Chairman has a casting vote. Without infringing the rules on directors' liability and the right of each director to have his/her vote and the reasons for this recorded in the minutes, each director loyally implements the decisions of the Board.

In exceptional circumstances, when this is required by urgent necessity and the interests of the Company, the Board may approve a proposal by means of a unanimous written agreement.

The Board meets each time this is required in the interests of the Company and approximately four to six times a year. The dates for these meetings are established for the coming calendar year at the final meeting of the current calendar year.

The non-executive directors should regularly assess their interaction with the executive management.

II.7 Tasks and obligations of the individual directors.

All directors bear in mind first and foremost the interests of the Company, taking account of the interests of all current and future shareholders of the Company. For all directors, both the executive and the non-executive directors, it is important that they decide on the basis of an independent judgement.

Each director is bound by a duty to maintain discretion and preserves the confidentiality of the deliberations of the Board of Directors or of other information relating to Sioen Industries with the utmost care.

II.8 Conflicts of interests

Directors do not undertake any competing activity in respect of the Company or its subsidiaries, either directly or indirectly. Neither should they take personal advantage of any opportunity open or offered to the Company without the full and informed consent of the board.

As far as possible, each director arranges his/her personal and commercial interests so that no conflicts of interest with the Company can arise. However, if there is a question of any conflict of interest, the director concerned informs the Chairman of this, and the Chairman takes the necessary steps with a view to applying the valid regulations on conflicts of interest prescribed by the Companies Code. Should there be any question of a conflict of interest involving the Chairman, then he informs the independent director with the most years' service of this, and the latter takes the necessary steps with a view to applying the valid regulations on conflicts of interest.

Irrespective of whether a particular activity falls under the legal regulations on conflicts of interest, directors are not permitted to conclude agreements, directly or indirectly, with the Company relating to the provision of services or goods, except with the express consent of the Chairman or two directors who are not concerned. The Chairman or the directors in question examine whether these agreements are entered into under the usual commercial conditions and in line with the market. If the Chairman grants permission, this is announced at the next Board meeting.

If they are natural persons, the members of the Board have self-employed status in respect of the application of labour law and social security law.

II.9 Evaluation

Periodically, and at least every two years, the Board evaluates its overall performance (including the Working Committees). In the Board's view, this is best accomplished by the entire Board under the leadership of the Chairman, with the assistance of the Remuneration and Nomination Committee and of an external specialist when deemed appropriate.

The Chairman is in charge of organizing periodic performance appraisals through an extensive questionnaire that addresses the following items;

- The functioning of the Board or Committee.
- The effective preparation and discussion of important items
- The individual contribution of each Director.
- The present composition of the board or Committee against its desired composition.

The non-executive Directors meet at least once a year in the absence of the CEO in order to assess their interaction with executive management.

PART III. THE COMMITTEES OF THE BOARD OF DIRECTORS OF SIOEN INDUSTRIES

III.1 Audit Committee Terms of Reference

The Audit Committee consists of at least three non-executive directors, more than half of whom are independent, who have the necessary expertise in the field of financial and accounting affairs and who can form an independent judgement of matters for which the Audit Committee is competent.

The Audit Committee can also invite the Chairman of the Board, the CEO, the members of the Management Committee, the auditor and those in charge of the internal auditing of the Company and its subsidiaries or any other persons to hear them at any time.

The tasks of the Audit Committee consist of advising the Board and submitting recommendations to it on:

- the financial reports (including the annual account, the half-yearly results, the quarterly results, other interim statements or reports from the Board) of the Company and its subsidiaries. The Audit Committee checks that these reports are faithful and sincere.
- the periodic information about the Company before this is made public.
- the appointment, remuneration, independence and discharge of and relations with the auditor of the Company, the scope and effectiveness of the supervision assignment of the auditor of the Company and the recommendations, comments and reservations formulated by the auditor of the Company.
- the effectiveness of the internal auditing and risk management system set up by the management of the Company and the statements on this matter in the annual report. As regards the decisions taken by the Board on the appointment and discharge of the internal auditor, a positive opinion from the Audit Committee is required in advance. If no internal auditor is appointed then the need to make such an appointment should be considered at least once a year.
- the way in which the Company complies with the rules and recommendations on Corporate Governance.

Furthermore, the Audit Committee monitors the way in which direct and indirect transactions and agreements between the Company and members of the Board are undertaken, including but not limited to remuneration and transactions with affiliated companies.

The Audit Committee meets at least four times a year and each time one of the members of the Committee so requests. Minutes are taken of each meeting, which form the basis for the report to the Board.

III.2 Remuneration and Nomination Committee Terms of Reference

The Remuneration and Nomination Committee consists of at least three non-executive directors more than half of whom are independent,

The CEO attends the meetings of the Remuneration and Nomination Committee whenever the Committee deals with the remuneration of the members of the Management Committee.

The Remuneration and Nomination Committee ensures that the remuneration policy applied for directors, members of the Committees and members of the Management Committee of the Company and its subsidiaries is as objective as possible. The Committee also ensures that the procedure for appointing and reappointing directors, Committee members, Members of the Management Committee and Executive Management of the Company and its subsidiaries are as objective as possible.

The Remuneration Committee therefore advises the Board on:

- the remuneration policy for the directors, the CEO and the members of the Management Committee;
- the stock option plans and pension plans of the Company.
- applications for and the appointment of directors, Committee members, the CEO and members of the Management Committee;
- the scope and composition of the Board, the Committees and the Management Committee.

Furthermore, the Remuneration and Nomination Committee monitors the reporting in the annual report on the salaries of members of the Board and the Management Committee.

When carrying out its duties as regard remuneration, the Remuneration and Nomination Committee takes account of that which is customary in Belgium and abroad in the sector in which the Company operates and in companies of a similar scope to the Company.

The Remuneration and Nomination Committee meets at least twice a year.

PART IV: THE EXECUTIVE MANAGEMENT – TERMS OF REFERENCE

The Executive Management of the Company consists of all executive members of the Board (including the CEO), as well as the members of the Management Committee. Not all executive members of the Board are necessarily members of the Management Committee. In this case, they may be considered executives, for instance, because they hold a management or a director's position at a subsidiary.

The responsibilities, areas of competence and obligations of both the CEO and the Management Committee are laid down in these Terms of Reference.

IV.1 Chief Executive Officer

The CEO is elected from among the members of the Board for a period which, in principle, corresponds to his/her directorship.

The CEO is the main strategic and executive manager of the Company. He/she should clearly convey and disseminate the values of the Company and set an example for the management and staff of the Company to follow

The CEO puts proposals to the Board on strategic options and implements the decisions taken by the Board.

The CEO organises, leads and chairs the Management Committee. He/she put proposals to the Board for the composition, the responsibilities and the obligations of the Management Committee and gives an account of the work of the Management Committee to the Board.

The CEO acts as the main spokesperson for the Company in respect of the outside world.

The CEO enables the Board and the Chairman to carry out their responsibilities by maintaining ongoing interaction, dialogue and a climate of respect, trust and openness with the Board and by putting proposals to the Board or the Committees on topics for which the decision-making authority is reserved for the Board.

The CEO meets the Chairman on a regular basis, involves him/her in strategic initiatives from the outset, consults him/her regularly on all relevant matters and in particular items on the agenda of meetings of the Board and the Committees.

The CEO takes care of the day-to-day management of the Company as well as all other areas of competence and tasks which the Board entrusts to the CEO in specific cases. The CEO is authorised to (sub-)delegate his/her competence in terms of representation.

IV.2 The Management Committee

IV.2.1 General

The Board has assigned the operational management of the Company to the Management Committee (within the legal meaning of the Companies Code).

The Management Committee is chaired by the CEO and comprises at least four members, in addition to the CEO, who do not have to be directors of the Company.

The members of the Management Committee are appointed on the recommendation of the Remuneration and Nomination Committee through a decision taken by the Board by a simple majority, for an indefinite period. The Board can dismiss any member of the Management Committee from this capacity at any time by a decision taken by a simple majority.

Both natural persons and legal entities can be appointed as members of the Management Committee. If a legal entity is appointed as a member of the Management Committee, in accordance with the applicable legal provisions, this entity designates a natural person as a permanent representative, who is personally responsible for fulfilling the duties of member of the Management Committee.

The Management Committee, under the supervision of the Board, is responsible for the management of the Company and the Sioen group and gives the Board regular accounts of the fulfilment of its responsibilities, including an objective and comprehensible assessment of the financial position of the Sioen group.

Every year, at the first meeting of the Board following the approval of the annual accounts of the Company by the General Shareholders' Meeting, the Board decides on the discharge to be granted to members of the Management Committee.

IV.2.2 Functioning of the Management Committee

The Management Committee is convened by the CEO or, if he/she is unavailable, by the member with the most years' service.

The person who convenes the Management Committee determines the agenda of the meeting. However, any member can ask for certain items to be included on the agenda.

The CEO, assisted by the Secretary of the Management Committee, ensures that all members of the Management Committee are informed correctly and in time of each item on the agenda. Each member of the Management Committee prepares thoroughly for meetings of the Management Committee and takes an active part in the deliberations and discussions.

The Management Committee acts as a collegial body and in so doing, takes decisions by a simple majority. In the event of an equality of votes, the CEO has the casting vote. Without prejudice to the rules on the liability of members of the Management Committee and the right of each member to have his/her vote and the reasons for this recorded in the minutes of the Management Committee meeting, each member of the Management Committee loyally implements the decisions taken by the Management Committee.

Detailed minutes are taken at Management Committee meetings.

As regards matters that fall within the area of competence of the Management Committee, the Company is validly represented in law by two members of the Management Committee, acting together.

IV.2.3 Tasks and obligations of the individual members of the Management Committee.

All members of the Management Committee bear in mind solely the interests of the Company, taking account of the interests of all its current and future shareholders.

Each member of the Management Committee is bound by a duty to maintain discretion and preserves the confidentiality of the deliberations of the Management Committee and of other information relating to the Company with the utmost care.

IV.2.4 Areas of competence of the Management Committee.

The Management Committee has the widest possible authority as regard operational management. It can therefore take any actions regarding operational policy. However, certain actions are clearly reserved for the Board. These include:

- decisions reserved for the Board owing to their importance in terms of policy.
- decisions that determine policy over a longer period.
- decisions requiring greater attention from the point of view of monitoring or conflicts of interest.

In addition, there are also decisions and events that entail a certain risk and which therefore have to be reported to the Board.

Finally, the Board has a general right of evocation as regards all decisions that fall within the area of competence of the Management Committee but on which they feel they need to consult.

If there is any doubt, the Management Committee has a duty to bring matters before the Board. This duty concerns, amongst other things, decisions which, although they do not entail any change in the general policy, could affect this policy by setting an example.

This concerns the following decisions, amongst others:

- the "general policy" defined as decisions on the general strategy worked out in the main functional areas (Marketing and Sales, Operations, Finance, Human Resources and IT).
- all fiscal and financial engineering projects, requests for rulings and planning concepts.
- all mergers, acquisitions and joint ventures.
- annual and capex budgets.
- financing transactions which (i) have an impact on the capital (e.g. ACOs), (ii) impose financial "covenants" or (iii) convert long-term debts into short-term debts.
- sale of a branch of the business, real estate or intellectual property.
- investor relations strategy and communication strategy.
- modifications to these Terms of Reference.

- budget overruns on individual items (per reported line) of over EUR 250,000
- recruitments and resignations/dismissals (except for serious misconduct) of senior executives who report to the members of the Management Committee.
- changes to the accounting rules.
- termination or opening of new banking relations
- all legal and fiscal structural changes.
- changes to the Management Information Systems (MIS) template.
- instituting or terminating legal proceedings (except the collection of non-disputed invoices).

In general, decisions which, although they have only a minor impact on the annual budget, could determine the policy of the Company for a longer term. This concerns decisions such as outsourcing certain functions or granting certain exclusive rights, insofar as these lie outside the normal commercial policy of the Company.

Furthermore, regular reports are made to the Board on the following matters:

- minutes of Management Committee meetings
- legal claims against the Company.
- disputes with public administrations and customers (except for the collection of non-disputed invoices, ordinary quality claims or insignificant disputes).
- reports on products and product safety, operating and environmental permits
- relations with major customers.

When decisions have to be taken which are reserved for the Board, the Management Committee may request the Board to take a specific decision on this matter, or to approve the report from the Management Committee to the Board, setting out in adequate detail the points requiring attention.

IV.3 Conflicts of Interests

Members of the Management Committee do not undertake any competing activity in respect of the Company or its subsidiaries, either directly or indirectly. Neither should they take personal advantage of any third party opportunity open or offered to the Company without the full and informed consent of the board.

As far as possible, each member of the Management Committee arranges his/her personal and commercial interests so that no conflicts of interest with the Company can arise.

However, if there is a question of any conflict of interest, the member concerned will inform the CEO and other members of the Management Committee of this, after which, if necessary, the required steps will be taken with a view to applying the valid regulations on conflicts of interest prescribed by the Companies Code and by Article 21bis of the Articles of Association, according to which the decision is referred on to the Board.

After approval by the Management Committee, any member of the Management Committee may be appointed as a director in companies of the Sioen group. In this case, however, any director's fees will be taken into account when calculating the remuneration as a member of the Management Committee.

PART V. THE REMUNERATION POLICY AT SIOEN INDUSTRIES

Pursuant to Article 21 of the Articles of Association, directors' duties are unremunerated, unless otherwise decided by the General Shareholders' Meeting.

This remuneration may be fixed, variable or a combination of the two for the executive directors. The remuneration for the non-executive directors, as well as the Chairman, is fixed.

The proposals made by the Board to the General Shareholders' Meeting are based on the proposals and recommendations on this subject made by the Remuneration and Nomination Committee and take account of the responsibilities of and time spent by the directors concerned on the Board and in the Committees, as well as the remuneration paid to directors in companies with the same or similar activities and/or of similar scope.

The annual remuneration of the members of the Management Committee is defined by the Board at the proposal of the Remuneration and Nomination Committee. The remuneration package of members of the Management Committee may be fixed, variable or a combination of the two.

The Company may create share options plans for the members of the Executive Management. These share options plans are prepared and drawn up in accordance with the applicable company law and fiscal rules and are adequately covered. Moreover, they are accepted and implemented in compliance with the applicable regulations on conflicts of interest.

The Company takes out appropriate liability insurance for the directors and members of the Management Committee.

The Company complies with all rules and recommendations on disclosing the remuneration of directors and members of the Management Committee.

PART VI. RULES ON MARKET ABUSE – DEALING CODE

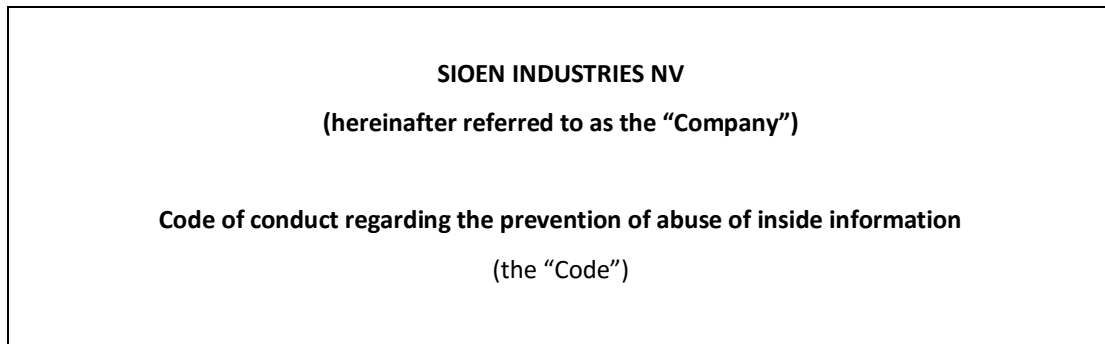
During its meeting of 22 March 2005, the Board approved the code of conduct regarding transactions in shares of Sioen Industries.

As a result of the EU Market Abuse Regulation No 596/2014 of 16 April 2016, the Board has, on 16 December 2016, approved a new version of the Sioen Industries Code of conduct regarding the prevention of abuse of inside information, as attached hereto as an Appendix 1.

This Code seeks to fulfil a twofold aim:

- (i) to inform those concerned within the Company of their main duties under applicable legislation on market abuse (insider dealing, market manipulation and unlawful disclosure of inside information), and
- (ii) to incorporate additional safeguards for dealing by directors and key employees.

Appendix 1



INTRODUCTION

Anyone who is employed by the Sioen group (as defined below) may, in the course of normal business, make use of or gain access to Sensitive Information (as defined below), also known as inside information. Such “insiders” have an important ethical obligation and a legal duty not to engage in dealings that are banned by applicable legislation on insider dealing. Insider dealing is an offence: persons concerned may face criminal and/or administrative penalties and may bear civil liability.

In 2005, the Company has adopted this Code to prevent the applicable legislation on insider dealing being infringed by employees, authorised agents and directors of the Sioen group and to avoid even the appearance of unlawful conduct by these persons.

On December 16, 2016, the Board of Directors of the Company adapted the Code to be in accordance with the European Regulation No 596/2014 of 16 April 2014 on market abuse.

This Code seeks to fulfil a twofold aim: (i) to inform those concerned within the Company of their main duties under applicable legislation on market abuse (insider dealing, market manipulation and unlawful disclosure of inside information) and (ii) to incorporate additional safeguards for dealing by Directors and Key Employees (as defined below).

DEFINITIONS

Unless expressly determined otherwise elsewhere, the following terms as used in this Code will have the following meaning:

Audit Committee	The audit committee of the Company
Board of Directors	The board of directors of the Company
CEO	The CEO (“Chief Executive Officer”) of the Company
Closely Associated Persons	<p>In relation to a Director or a member of the Management Committee:</p> <ul style="list-style-type: none">(i) a spouse or a partner considered to be equivalent to a spouse in accordance with national law;(ii) a dependent child in accordance with national law;(iii) a relative who has shared the same household for at least one year;(iv) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a Director or a member of the Management Committee or by a person referred to in point (i), (ii) or (iii), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.
Compliance Officer	The person, appointed by the Board of Directors, responsible for the application of Chapter 2 of this Code
Director	A member of the Board of Directors
Employee(s)	Employee(s) of the Company and of its Subsidiaries.
Financial Instrument	<p>A financial instrument within the meaning of Article 3.1.1 of the Regulation, including but not limited to</p> <ul style="list-style-type: none">(i) Transferable securities, such as

- Shares, options and any instruments having the former as underlying value;
- Bonds and any other debt instruments having the former as underlying value;
- Any other securities entitling their holder to subscribe to such transferable securities.

(ii) Options and any other derivative contracts or instruments, that are admitted to trading on a regulated market or an MTF or for which a request for admission to trading on a regulated market or an MTF has been made.

(iii) Financial instruments not covered by (ii), the price or value of which depends on or has an effect on the price or value of a financial instrument referred to in (ii), including, but not limited to credit default swaps and contracts for difference.

FSMA	The Belgian Financial Services and Markets Authority
Key Employee	Employee(s) or other person who, by virtue of their position or employment in the Sioen group, may regularly be in possession of Sensitive Information, as indicated exhaustively in a list drawn up by the Management Committee and kept up to date by the Compliance Officer.
Management Committee	The management committee of the Company
MTF	A multilateral trading facility as defined in the Regulation, such as Alternext in Belgium
Regulation	The Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
Sensitive Information (or inside information)	Any information <ul style="list-style-type: none"> (i) which <i>has not been made public</i>, (ii) which is <i>of a precise nature</i>, that is which: <ul style="list-style-type: none"> • relates to a situation which exists or which may reasonably be expected to come into existence, or

an event which has occurred or which may reasonably be expected to occur, and

- is specific enough to enable a conclusion to be drawn as to the possible effect of that situation or event on the price of Financial Instruments;

(iii) which *directly or indirectly relates to* one or more *issuers of Financial Instruments* or to one or more *Financial Instruments*, and

(iv) which, if it were made public, *could significantly affect the rate* at which the Financial Instrument concerned is traded and which an investor trading reasonably may therefore probably be expected to use as part of the basis for investment decisions;

or more generally, everything referred to in Article 2, 14° of the Act of 2 August 2002 on the supervision in the financial sector and of financial services, as modified from time to time

Sioen group

The Company and its subsidiaries

Subsidiary

A company within the meaning of Article 6 of the Belgian Companies Code

Trading/Trade

Every transaction aimed at the acquisition or the disposal of any Financial Instruments of the Company whatsoever.

CHAPTER I: BAN ON INSIDER TRADING

I. No legal advice

This first chapter is confined to an overview of a number of main duties under applicable legislation on insider trading, insofar as this legislation relates to the Financial Instruments issued by the Company.

This overview, and this Code in general, do not constitute legal advice and as such should not be relied upon. All Employees of the Sioen group are personally responsible for ensuring that their conduct fully complies with the applicable rules on insider trading at all times, and must take personalised legal advice when appropriate.

II. Prohibitions

Those persons being in possession of Sensitive Information, are prohibited from:

- (a) using that Sensitive Information by acquiring or disposing of or attempting to acquire or dispose of the Financial Instruments, to which that Sensitive Information relates, for their own account or for the account of a third party, directly or indirectly;
- (b) passing on that Sensitive Information to a third party, except when this is in the context of the ordinary execution of their work, profession or function;
- (c) recommending, on the basis of that Sensitive Information, that another person acquire or dispose of the Financial Instruments, to which that Sensitive Information relates, or see to it that such acquisition or disposal is undertaken by another person.

III. Prosecution and penalties

Infringements of the prohibitions set out in II above may lead to both administrative and criminal proceedings.

Anyone who infringes any of the prohibitions may be found guilty of an administrative offence. The FSMA is authorized to initiate proceedings for administrative infringements and has wide-ranging investigative powers in this respect. It can impose administrative fines that can amount to EUR 5 000 000 for natural persons and to EUR 15 000 000 or 15% of their annual turnover for legal entities. If the administrative infringement has resulted in a financial advantage, this maximum amount can be increased to three times the amount of the financial advantage.

Criminal proceedings can be instituted for serious infringements of the prohibitions set out above. The authority to initiate criminal proceedings for insider trading rests with the Public Prosecutor (although the FSMA does have the authority to intervene in the course of a criminal prosecution). Any criminal offence may be punished with (serious) fines or even a prison sentence.

IV. Generality of application

The prohibitions set out above do not apply solely to Financial Instruments of the Company. They also have a general scope of application.

Consequently, it cannot be excluded that information obtained within the Sioen group constitutes Sensitive Information in respect of Financial Instruments of other (Belgian or foreign) companies whose Financial Instruments are admitted to a regulated market. Directors and Employees of the Sioen group must therefore be aware that they could be guilty of insider trading in the context of Financial Instruments of other companies by using Sensitive Information acquired within the Sioen group.

It is therefore strongly recommended not to engage in Trading in Financial Instruments of direct or indirect competitors of the Company whose Financial Instruments are admitted to a regulated market.

CHAPTER II: TRADING BY DIRECTORS AND KEY EMPLOYEES

I. Introduction

The Company considers Directors and Key Employees being probably in regular possession of Sensitive Information. They must be particularly vigilant as regards their duties, bearing in mind the applicable rules on insider trading. This chapter of the Code imposes additional obligations on such Directors and Key Employees aiming at protecting the reputation for integrity of the Sioen group and avoiding even the appearance of any unlawful conduct. However, compliance with the rules set out in this chapter does not relieve Directors or Key Employees of the duty to ensure that their actions comply at all times with the applicable regulations on insider trading.

A list of the names and position of all Directors and Key Employees has to be drawn up by the Management Committee and kept up to date by the Compliance Officer. An Employee or any other person whose name is added to the list must be informed of this in person immediately.

II. Permission to Trade

Directors and Key Employees may not Trade without having informed the Compliance Officer hereof in advance and without having obtained permission.

The Compliance Officer may not Trade without having informed the Chairman of the Board of Directors and the Chairman of the Audit Committee hereof in advance and without having obtained permission from both of them.

Permission for specific Trading must be granted or refused within one working day of receipt of the request and, if granted, is given for a period of 20 days as of the date on which the Director or Key Employee concerned has received permission, it being understood that in any case, a given permission lapses three days before the start of a Closed Period as described under IV.

The Director or Key Employee concerned must inform the Compliance Officer immediately after he/she has Traded. If such information is not received, then the Company will assume that the Trading has not been undertaken.

Any request for permission and any given or refused permission may be sent by e-mail.

The Compliance Officer must keep a written record of (i) each received request for permission, (ii) each given or refused permission and (iii) each Trading notification. The Director or Key Employee concerned

will receive confirmation of each request received or each notification received and of each given or refused permission.

III. Refusal of permission

Permission to Trade will or may not be granted:

- (a) during a Closed Period as defined below in Section IV;
- (b) at any other time when the CEO informs the Compliance Officer that it may reasonably be expected that, in the short term, the Company will have to make an announcement through which “occasional information” (within the meaning of Article 6 of the Royal Decree of 31 March 2003 on the obligations of issuers of financial instruments admitted for trading on a Belgian regulated market) will be made public, even if the person requesting permission has no knowledge of the matter in question. The CEO should take such a decision in consultation with the CFO and/or the Chairman of the Board of Directors. In emergencies, however, the CEO may take such a decision without the aforementioned consultation;
- (c) at any other time when the Compliance Officer has reason to assume that the planned Trading constitutes an infringement of this Code.

IV. Closed Periods

Directors and Key Employees are not allowed to Trade during the following periods (known in each case as a “Closed Period”):

- (a) the period of one month immediately preceding the announcement of the annual results, which runs up to (and including) the working day after the announcement or, if this is shorter, the period that begins on the final day of the financial year in question and runs up to (and including) the working day after the announcement;
- (b) the period of one month immediately preceding the announcement of the interim results, which runs up to (and including) the working day after the announcement or, if this is shorter, the period that begins on the final day of the interim period in question and runs up to (and including) the working day after the announcement; or
- (c) the period as of the announcement of “occasional information” (within the meaning of Article 6 of the Royal Decree of 31 March 2003 on the obligations of issuers of financial instruments

that are admitted for trading on a Belgian regulated market) up to and including the working day following the announcement in question.

At the end of each financial year, the Board of Directors will announce the Closed Periods referred to under (a) and (b) for the following financial year. Any modifications to these periods (resulting from modifications to the financial year or other changes) occurring during the course of the financial year will be announced immediately.

Directors and Key Employees must give instructions to their investment managers or others Trading on their behalf not to Trade during Closed Periods. Directors and Key Employees must ensure that legal persons under their control within the meaning of Article 5 of the Belgian Companies Code do not Trade during Closed Periods.

Directors and Key Employees must make every effort to prevent members of their households from Trading during Closed Periods.

V. Duty of notification for Directors, members of the Management Committee and Closely Associated Persons

Directors, members of the Management Committee and their Closely Associated Persons must notify the FSMA of any Trading.

Notification must be given to the FSMA without delay and not later than three working days after the Trading. However, notification must only be given if the total amount of the Trading(s) during a calendar year exceeds a threshold of EUR 5 000.

Tradings must be notified to the FSMA via the online eMT application available via <https://portal-fimis.fsma.be/nl/Account/HomePublic>.

A User Guide for notifying persons on eMT is also available on the FSMA website via http://www.fsma.be/nl/Supervision/fm/ma/trans_bl.aspx.

VI. Other restrictions

Restrictions on speculative Trading

Trading by Directors and Key Employees for purely speculative reasons may in the view of the Company lead to unlawful conduct - or at least the appearance of unlawful conduct. For this reason, Directors and Key Employees must not Trade for short-term considerations.

No recommendations not to Trade

Directors and Key Employees may not recommend other people not to Trade in Financial Instruments (of the Company or of other companies whose Financial Instruments are admitted to a regulated market) on the basis of Sensitive Information in their possession.

CHAPTER III: OBLIGATIONS OF DIRECTORS AND KEY EMPLOYEES IN RESPECT OF SENSITIVE INFORMATION

Directors and Key Employees will maintain the confidential nature of privileged information. With a view to this obligation, they will, amongst other things:

- a) refrain from commenting on the Company to analysts, brokers, the press, etc. and refer them to the person designated for this purpose by the Company;
- b) use code names for sensitive projects;
- c) use passwords on the computer system to restrict access to documents containing Sensitive Information;
- d) restrict access to areas where privileged information can be found or where Sensitive Information is discussed;
- e) store Sensitive Information safely;
- f) not talk about Sensitive Information in public places (e.g. lifts, hall, restaurant);
- g) put "confidential" on documents containing Sensitive Information and use sealed envelopes bearing the word "confidential";
- h) copy documents containing Sensitive Information as little as possible;
- i) if appropriate, have a type of register signed by people consulting Sensitive Information;
- j) keep and regularly update the list of people having access to confidential information, and restrict access to Sensitive Information to those who need to know;
- k) never leave Sensitive Information unattended;
- l) always remind Employees coming in contact with Sensitive Information of the confidential nature thereof and of their obligation to maintain its confidentiality;
- m) when faxing Sensitive Information, always check the fax number and check that the addressee is present to receive it.

The above is not in any way an exhaustive list. Directors and Key Employees will always have to take all other appropriate measures, depending on the actual circumstances.

CHAPTER IV: FINAL PROVISIONS

The Company will take care to ensure that all Employees of the Sioen group are informed of the existence and contents of this Code and that its provisions are enforceable upon them where applicable.

In addition, all Directors and Key Employees are obliged to confirm that they understand this Code and that they will comply with it by signing a declaration to this effect.

Without prejudice to other legal means provided for by law, an infringement of the provisions of the applicable legislation on insider trading and of this Code can constitute grounds for the termination of the employment of an Employee with the Sioen group for urgent reasons.

Appendix 2. Nomination procedure and selection criteria for Directors

When a Director's office is scheduled to become available, the Remuneration and Nomination Committee shall discuss the following elements in order to allow the Chairman sufficient time to lead the nomination process;

- the intention to recommend to the Board to add a new Director, or to replace or re-appoint an incumbent Director.
- The need for a non-executive or executive Director.
- The independence requirements.
- The competency profile of the individual and the selection criteria.
- The expected timetable.

The chairman reports to the Remuneration and Nomination Committee on the progress made in order to allow the Remuneration and Nomination Committee to make a recommendation to the Board.