

A high-angle photograph of a modern office interior. The walls are made of vertical wooden slats. There are several levels with glass railings. People are seen walking on the upper levels. Large windows are visible on the right side, showing an outdoor view.

# TRANSPARENT

# DECISION MAKING

## Corporate Governance Charter

The Vandemoortele Board of Directors approved the first version of the Vandemoortele Corporate Governance Charter on April 6, 2006 and this latest updated version on May 23, 2023.

The Charter is published on Vandemoortele's website  
<https://vandemoortele.com/en>

CLOSE-UP



# GENERAL GOOD GOVERNANCE PRINCIPLES

- adopt a clear governance structure;
- have an effective and efficient Board of Directors that takes decisions in the corporate interest;
- have a rigorous and transparent procedure for the appointment and evaluation of the Board of Directors and its members who shall demonstrate integrity, gravitas and commitment;
- set up specialised committees;
- define a clear executive management structure;
- remunerate the directors and executive managers fairly and responsibly;
- treat all shareholders equally with respect of their rights;
- ensure adequate disclosure of its corporate governance;
- guarantee compliance by each associate, director, supplier, customer and any other business partner with the commitment to ethical behaviour in all matters as per its Codes of Conduct, Policies and other applicable Charters.





# STRUCTURE, ROLES & RESPONSABILITIES OF

# THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER



# LEGAL STRUCTURE

**THE VANDEMOORTELE GROUP** is understood to mean the operational holding company Vandemoortele NV, as well as the companies in Belgium and abroad which are consolidated in the IFRS consolidated annual accounts of Vandemoortele NV (hereinafter referred to as “the Vandemoortele Group” or “Vandemoortele”).

**VANDEMOORTELE NV** is a limited liability company of public interest under Belgian law whose shares are not listed on the stock exchange. The Company’s registered head office is located at Ottergemsesteenweg-Zuid 816, 9000 Ghent, with KBO (Central Register of Enterprises) number 0429.977.343 (hereinafter referred to as “the Company”).



# OPERATIONAL STRUCTURE & ORGANISATION

Vandemoortele focuses on **TWO BUSINESS LINES**: Bakery Products (hereinafter referred to as "BP") and Margarines, Culinary Oils and Fats (hereinafter referred to as "MCOF").

Both business lines are mainly B2B oriented and are one of the European leaders in their respective markets.

With its **BAKERY PRODUCTS**, the BP business line targets professional users who appreciate the quality and convenience of the Vandemoortele frozen pastry, bread, sweet treats (including patisserie) and savoury products. These products are further crafted, baked off or simply defrosted by the users and sold fresh to the consumer as a final product or as part of a meal or snack. The business line aims at fulfilling consumer's expectations for taste, quality, convenience and value for money.

With regard to the **MCOF** business line, Vandemoortele owns retail brands in the Benelux and Germany. At European level, however, Vandemoortele targets professional users of margarines and fats and retailers for whom it develops and produces private labels.

Each business line has its own production plants and supply chain but the commercial activities are performed by a Belgian company operating through European branches.



# OPERATIONAL STRUCTURE & ORGANISATION

Through its 100% subsidiaries **VANDEMOORTELE TRANSPORT SOLUTIONS AND VANDEMOORTELE TRANSPORT SOLUTIONS FR**, Vandemoortele is also active in transport and transport management for the benefit of both the Vandemoortele Group and third parties .

Finally, the Vandemoortele Group has several **GROUP SERVICES** that support both business lines:

- Group Finance & Administration (including controlling, treasury, corporate finance, tax & ICT);
- Group Human Resources (including communication & sustainability);
- Legal and Risk (compliance, risk management & insurance as well as internal audit);
- General Procurement & key raw materials;
- The QA group service (quality assurance) and HSE group service;
- R&D and Engineering.

The end responsibility for the operational management of the Vandemoortele Group lies with the Chief Executive Officer (hereinafter “the CEO”). The CEO leads an Executive Committee that is composed of the CEO, the Managing Directors of the two business lines, the Chief Financial Officer, the Chief Human Resources & Sustainability Officer, the Chief Transformation Officer & General Manager France and the Chief Legal & Risk Officer.



# CAPITAL & SHARES

Vandemoortele NV has a capital of **14.862.354,00 EUR REPRESENTED BY 547.208 REGISTERED SHARES**; the names of the shareholders are entered in the share register which is kept at the Company's registered office.

The shareholding of the Company is as follows:



Safinco NV, a company controlled by the family shareholders, holds over 99% of the shares



Less than 1% is held by the company itself

Vandemoortele NV has issued several retail bonds for which the prospectus' were published on the Vandemoortele Group website under the item "Investors - Financial Instruments".



# GENERAL MEETINGS

## ANNUAL MEETING OF SHAREHOLDERS

General meetings of  
shareholders other than  
the annual meeting

General Meetings  
of Bondholders

The annual general meeting of Vandemoortele NV is held at the Company's registered office each year on the **SECOND TUESDAY OF THE MONTH OF MAY**; the nominative shareholders are invited to attend the annual general meeting in accordance with the provisions of the CCA and Articles of Association of the Company. The bondholders may also attend the meetings but only in an advisory capacity.



# GENERAL MEETINGS

Annual meeting  
of shareholders

**GENERAL MEETINGS  
OF SHAREHOLDERS  
OTHER THAN  
THE ANNUAL MEETING**

General Meetings  
of Bondholders



General meetings of shareholders other than the annual meeting **CAN BE CONVENED** by the Board of Directors, the auditors or at the request of the shareholders representing at least 1/10th of the share capital and follow the requirements of quorum and majority of the CCA.

# GENERAL MEETINGS

Annual meeting  
of shareholders

General meetings of  
shareholders other than  
the annual meeting

**GENERAL MEETINGS  
OF BONDHOLDERS**



General meetings of bondholders can be called by the Board of Directors, the auditors or at the initiative of bondholders in accordance with the relevant provisions of the CCA.

# DIVIDEND POLICY

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Vandemoortele's dividend policy is based on a well-balanced consideration of return for the shareholders and availability of free cash flow to the Vandemoortele Group to finance its growth.



# BOARD OF DIRECTORS



**ROLE, RESPONSIBILITIES, POWERS  
& DECISION-MAKING**



**CHAIRPERSON**



**STRUCTURE & REQUIREMENTS,  
INDUCTION AND EVALUATION**



**ORGANISATION &  
RULES OF CONDUCT**





# ROLE, RESPONSIBILITIES, POWERS & DECISION-MAKING

## ROLE & RESPONSIBILITIES

Powers & decision-making

The Board of Directors is the **HIGHEST DECISION-MAKING BODY** of the Vandemoortele Group, except for matters which are reserved to the shareholders.

The primary objective of the Board of Directors is to **SUSTAIN AND DEVELOP FURTHER A SUCCESSFUL GROUP** in the food industry by creating sustainable value in line with the vision of the family shareholders, i.e. making great food for a more enjoyable and healthier life through a truly people-driven organization.

The Board of Directors supports and challenges the CEO and the Executive Committee in the performance of their duties and questions it when appropriate.



# ROLE, RESPONSIBILITIES, POWERS & DECISION-MAKING

## ROLE & RESPONSIBILITIES

Powers & decision-making

The key responsibilities of the Board of Directors are:



### STRATEGY

To set Vandemoortele's strategic course based on proposals from the CEO and the Executive Committee and to approve the operational plans and main policies developed by the CEO and the Executive Committee to implement the strategy;



### LEADERSHIP

To appoint the Vandemoortele Group's CEO and members of the Executive Committee, to define the general remuneration policy for the Group and the remuneration of the non-executive members of the Board of Directors, of the CEO and of the members of the Executive Committee and to review their performance;



### SUPERVISION & MONITORING

To supervise the business evolution and the Vandemoortele Group's performance in general; to approve the framework of internal control processes and risk management proposed by the CEO and the Executive Committee and to monitor the implementation and effectiveness thereof.

# ROLE, RESPONSIBILITIES, POWERS & DECISION-MAKING

Role & responsibilities

## POWERS & DECISION-MAKING

Within the general frame defined by the family shareholders, the Board of Directors has **DISCRETIONARY AND EXCLUSIVE POWER** to perform all acts that are necessary or useful to realize Vandemoortele NV's corporate object, save for those acts for which only the shareholders' meeting holds the required powers in accordance with applicable laws.

In that context, the Board of Directors will:



monitor Vandemoortele's operational management and the condition of every company within the Vandemoortele Group;



appoint and dismiss the Chairperson and members of the specialised committees;



appoint and dismiss the CEO;



assess its own operation.



# ROLE, RESPONSIBILITIES, POWERS & DECISION-MAKING

Role & responsibilities

## POWERS & DECISION-MAKING

The Board of Directors has exclusive power, upon adequate proposals from the CEO and the Executive Committee, to:

- define the strategy and approve the strategic business plan;
- approve the annual budget;
- approve the investment and disinvestment programmes, the acquisitions and the individual commitments in respect of capital expenditure which, on a project by project basis, exceed 2,5 million € as well as any overspending on investments exceeding 10%;
- determine the financial structure of the balance sheet as well as the structure and general terms and conditions of the financial debt;
- establish, close or relocate corporate seats, branches or sales offices;.
- define the external communication policy of the Vandemoortele Group;
- incorporate or liquidate subsidiaries as well as acquire or transfer shares of other companies, merge with or in any other way restructure the Vandemoortele Group or pledge the Company's assets or shareholdings or any of its subsidiaries shareholdings;
- approve the Vandemoortele Group's Code of Conduct and Charters and ensure compliance therewith by its associates, directors, suppliers, customers and any other business partner;
- appoint and dismiss the members of the Executive Committee;
- appoint the persons who are authorised to represent the Company as directors in subsidiaries of the Vandemoortele Group as well as the persons authorised to represent the Vandemoortele Group in external organisations.



# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

## COMPOSITION

Appointments  
& re-appointments

Term of appointment

Age limit

Honorary members

Observers

Secretary of the Board

Induction of Directors

Evaluation

The Company has opted for a **ONE-TIER GOVERNANCE STRUCTURE** as referred to in articles 7:85 et seq. of the CCA.

The Board of Directors ensures that it is composed of an adequate number of directors with diverse, yet complementary professional backgrounds, knowledge and experience. The composition of the Board of Directors must allow for changes in its composition without disrupting its operation. At least one third of the board members are of an opposite gender than the other board members.

The Board of Directors consists of 12 directors as follows:

- **6 FAMILY DIRECTORS** who are non-executive directors;
- **5 NON-FAMILY DIRECTORS** who are non-executive directors;
- **THE CEO** of the Vandemoortele Group also being the Managing Director (“Gedelegeerd-bestuurder- Administrateur-délégué”) of the Company.





# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

## APPOINTMENTS & RE-APPOINTMENTS

Term of appointment

Age limit

Honorary members

Observers

Secretary of the Board

Induction of Directors

Evaluation

The Board of Directors submits its proposals relating to (re-) appointments of directors to the shareholders on the recommendation of the Compensation & Nomination Committee (as defined hereinafter in Part IV).

The family shareholders **FREELY DETERMINE** the criteria that the family directors must fulfil.

The Board of Directors will consider candidates for (re-)appointment, as non-family director, based on certain criteria. Ideally, every candidate must:



have specific skills, knowledge and experience to complement those already present on the Board of Directors; in preparation of this, the Board of Directors draws up a profile description of the non-family director sought;



demonstrate probity, integrity and professionalism and be sufficiently available to fulfil his/her obligations as a non-family director in an adequate manner;



be sufficiently independent i.e. he or she must be free of any commercial relationships, close family ties, or other connections with the Company, the controlling shareholders or the management of the Vandemoortele Group which might give rise to conflicts of interests and/or which could affect the independent and sound judgement of this director.

# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

**TERM OF  
APPOINTMENT**

Age limit

Honorary members

Observers

Secretary of the Board

Induction of Directors

Evaluation

Directors are appointed for a period of **3 YEARS**, renewable once or more.

The mandates of the non-family directors can, in principle, only be renewed twice.



# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

**AGE LIMIT**

Honorary members

Observers

Secretary of the Board

Induction of Directors

Evaluation



The mandates of the directors expire at the Annual General Meeting immediately following the date on which they reach the **AGE OF 70**.

# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

Age limit

**HONORARY MEMBERS**

Observers

Secretary of the Board

Induction of Directors

Evaluation

The Board of Directors can confer to the retiring Chairperson of the Board of Directors or to the retiring directors the title of **HONORARY CHAIRPERSON** or **HONORARY DIRECTOR** in recognition of their services to Vandemoortele.

There is no remuneration associated with these honorary titles and these honorary titles do not confer any voting, attendance or information rights.



# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

Age limit

Honorary members

## OBSERVERS

Secretary of the Board

Induction of Directors

Evaluation

### BOARD SUCCESSION PLANNING OF FAMILY MEMBERS

will be ensured through fostering family involvement, sharing information and providing family training; through granting a status of observer in the Board of Directors, the Company is preparing family members to become responsible owners for the next generations.

The Board of Directors can have **UP TO 3 OBSERVERS**.

The observers are family members entitled to attend the meetings of the Board of Directors to prepare them for their future onboarding and governance responsibilities.

The following principles will apply:



an observer's term is 2 years which can only be exercised once to allow also other family members to benefit from this development opportunity;



observers are expected to read and examine the materials presented to the Board of Directors; they do not participate in the board discussions and do not have voting rights;



observers will receive an attendance fee

# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

Age limit

Honorary members

Observers

**SECRETARY OF  
THE BOARD**

Induction of Directors

Evaluation



The Chief Legal & Risk Officer exercises the position of secretary to the Board of Directors; the secretary assists the Chairperson in the preparation of the meetings of the Board of Directors and takes the minutes of the meetings.

He or she **ASSISTS** the Board of Directors, its Chairperson and its members and **ADVISES** them about the execution of their tasks and responsibilities.

The secretary will **ALWAYS BE AT THE DISPOSAL OF THE DIRECTORS** to provide them, to the extent allowed by corporate law, with any information which they require.

# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

Age limit

Honorary members

Observers

Secretary of the Board

**INDUCTION  
OF DIRECTORS**

Evaluation

Newly appointed directors and observers are offered a suitable **INDUCTION PROGRAM**, the objectives of which are:

- to help new directors and observers gain insight into the fundamental characteristics of Vandemoortele, including its strategy, management, main lines of policy and financial and corporate challenges;
- to advise new directors and observers on their rights and obligations as director and observer.

If a newly appointed director is also appointed as member of a specialised committee, the induction program will also include an introduction to the operation and objectives of that specialised committee, including an outline of the specific role, assignments and pending matters of that committee.



# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

Age limit

Honorary members

Observers

Secretary of the Board

Induction of Directors

**EVALUATION**

## THE BOARD AS A COLLEGIAL BODY

The Board of Directors examines and evaluates on a regular basis its own operation and performance as a collegial body, including the number of specialised committees and their respective responsibilities, tasks and operations.

To this end, the Chairperson of the Board of Directors conducts every year an **INTERNAL BOARD EVALUATION** based on individual discussions with each board member. Additionally, and every three years, an evaluation is made by external experts. These evaluations pursue the following 4 objectives:

- to review the operation of the Board of Directors;
- to ascertain whether or not the key issues are thoroughly prepared and discussed;
- to assess the existing composition of the Board of Directors in the light of the required composition;
- to evaluate the interaction between the Board of Directors and the CEO and the Executive Committee.

The conclusions of those evaluations will, each time, be reported to and discussed within the Board of Directors.



# STRUCTURE & REQUIREMENTS, INDUCTION AND EVALUATION

Composition

Appointments  
& re-appointments

Term of appointment

Age limit

Honorary members

Observers

Secretary of the Board

Induction of Directors

**EVALUATION**



## THE INDIVIDUAL DIRECTORS

The performance of the individual directors, i.e. the actual contribution of each director to the operations of the Board of Directors, his or her attendance at the meetings of the Board of Directors and/or the specialised committees, and his or her constructive involvement in the deliberation and decision making are assessed as part of their (re-) appointment process.

# CHAIRPERSON

The Board of Directors elects a Chairperson among its members.

The Chairperson chairs the meetings of the Board of Directors. In case of absence of the Chairperson or in case the Chairperson has a conflict of interest regarding an item on the agenda, the Board of Directors appoints one of its members to act as Chairperson.

The Chairperson takes the necessary measures to create, within the Board of Directors, an atmosphere of trust conducive to **OPEN DISCUSSIONS**, constructive criticism and support for the decisions made by the Board of Directors. Therefore, he or she will be at the disposal of the board members to provide them with any information which they may require for their duties as director.

The Chairperson takes initiatives to ensure the **EFFECTIVE OPERATION** of the Board of Directors in line with the Charter. In doing so, he or she is assisted by the specialised committees.





# CHAIRPERSON

In particular, the Chairperson:

Ensures the efficient and effective preparation, deliberation, and decision making of the Board of Directors by:

- planning the Board of Directors meetings: the Chairperson determines the calendar and agenda of Board of Directors meetings in consultation with the CEO and the Secretary of the Board of Directors;
- preparing, presiding over and conducting board meetings. He or she ensures that the directors receive sufficient accurate, timely and clear information before the meetings and makes sure that all directors receive the same information;
- making sure, during the meeting, that all directors are given time to speak during the deliberations and, if possible, arriving at a consensus in the decision process;
- monitoring the quality of the continuous interaction and transparent dialogue, both at board level and between the Board of Directors and the CEO and the Executive Committee;
- securing that new directors complete a suitable induction program which best suits their individual preparation needs;

Presides over the Annual and General Shareholders' Meetings and ensures that these meetings proceed efficiently; in particular, he or she makes sure that shareholders and/or bondholders in attendance can ask questions to the directors and statutory auditor with regard to their reports and the agenda items and that the directors concerned and/or the statutory auditor provide satisfactory answers;

Represents and defends, in consultation with the CEO, the interests of Vandemoortele by maintaining contacts with external institutions and by participating in external policy forums.

# ORGANISATION AND RULES OF CONDUCT

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## BOARD MEETINGS

Specialised Committees

External expert advice

Rules of conduct

The Board of Directors meets, in principle, **7 TIMES A YEAR** and as much as the needs of the Vandemoortele Group would require. Additional meetings to discuss specific topics may be called at any time in a flexible manner.

In case of tied votes in the Board of Directors, the Chairperson of the meeting has the casting vote.



# ORGANISATION AND RULES OF CONDUCT

Board meetings

**SPECIALISED  
COMMITTEES**

External expert advice

Rules of conduct



In order to carry out its tasks and responsibilities efficiently, the Board of Directors has set up a Compensation & Nomination Committee and an Audit Committee. The existence of these specialised committees does not prevent the Board of Directors from establishing additional ad hoc committees if necessary.

# ORGANISATION AND RULES OF CONDUCT

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Board meetings

Specialised Committees

**EXTERNAL EXPERT  
ADVICE**

Rules of conduct

The Board of Directors and its specialised committees may seek assistance from external experts.





# ORGANISATION AND RULES OF CONDUCT

Board meetings

Specialised Committees

External expert advice

**RULES OF CONDUCT**

The members of the Board of Directors actively engage in their duties and always make business decisions based on sound, objective and independent judgements.

The members of the Board of Directors exercise their respective mandates in an **HONOURABLE AND ETHICALLY RESPONSIBLE MANNER**. Above all, they serve the Company's interest. They disregard their personal interests when the Board of Directors takes a decision and refrain from using business opportunities intended for the Company for their personal interest.

They ensure that they obtain clear and detailed information which they examine thoroughly in advance so that they are aware of the key aspects of the business operations at all times. They agree to treat this information as strictly confidential and not to use it for their own benefit or for any purpose other than the performance of their mandate, during and after the termination of their mandate.

They communicate to the Board of Directors any information in their possession that may be relevant for the board's business decisions. If it relates to sensitive or confidential information, however, they consult the Chairperson of the Board of Directors.

Each director shall individually and personally refrain from undertaking activities or engaging in actions that compete with Vandemoortele's activities, during their mandate and for a period of 12 months following the termination thereof, within the countries in which the Vandemoortele Group is active or effectively contemplating to be active.

Each director abides by the law pertaining to conflicts of interest, insider trading and market abuse.

Upon accepting the mandate of a director, each member shall **PLEDGE**, in writing, to strictly follow Vandemoortele's Corporate Governance rules laid down in this Charter.

# **SPECIALISED COMMITTEES OF THE BOARD OF DIRECTORS**

**GENERAL PROVISIONS APPLICABLE  
TO THE SPECIALISED COMMITTEES**



**THE COMPENSATION &  
NOMINATION COMMITTEE**



**THE AUDIT COMMITTEE**



**INDEPENDENT INTERNAL AUDIT**



# GENERAL PROVISIONS APPLICABLE TO THE SPECIALISED COMMITTEES

## ROLE & RESPONSIBILITIES

Powers

Composition

Meetings

Evaluation

The specialised committees have an **ADVISORY FUNCTION** in specific areas and in specific matters.

After every meeting of the specialised committees, the Chairperson of the relevant committee gives an oral report on the committee's activities at the next Board of Directors meeting. This oral report is included by the Company Secretary in the written report.

The role, responsibilities, and powers of each specialised committee are determined by the Board of Directors. Each specialised committee is accountable to the Board of Directors for the proper execution of its powers and responsibilities.





# GENERAL PROVISIONS APPLICABLE TO THE SPECIALISED COMMITTEES

Role & responsibilities

## POWERS

Composition

Meetings

Evaluation



Each specialised committee is granted general authorisation by the Board of Directors to investigate all matters and, to this end, to use all effective, necessary and proportional means and call upon the help of any internal and external experts.



# GENERAL PROVISIONS APPLICABLE TO THE SPECIALISED COMMITTEES

Role & responsibilities

Powers

**COMPOSITION**

Meetings

Evaluation

Each specialised committee has a **MINIMUM OF 3** and a **MAXIMUM OF 5 MEMBERS**, with a good balance between family and non-family directors.

The Chairperson and members of the specialised committees are appointed by the Board of Directors. The appointment of the members of the specialised committees is based upon their independence, specific knowledge, skills and experience.

The members of the specialised committees are appointed for the term of their mandate as director. They can be reappointed if they are reappointed as director.





# GENERAL PROVISIONS APPLICABLE TO THE SPECIALISED COMMITTEES

Role & responsibilities

Powers

Composition

**MEETINGS**

Evaluation



The rules which apply to Board of Director meetings also apply, mutatis mutandis, to meetings of the specialised committees.

The specialised committees always endeavour to reach **UNANIMOUS DECISIONS**.

If, in a particular case, it is not possible to reach a consensus, a resolution is formulated by means of a simple majority with a declaration of the dissenting opinion.

# GENERAL PROVISIONS APPLICABLE TO THE SPECIALISED COMMITTEES

Role & responsibilities

Powers

Composition

Meetings

**EVALUATION**



The Board of Directors assesses the operation of the specialised committees in principle **EVERY 3 YEARS**.



# THE COMPENSATION & NOMINATION COMMITTEE

The Board of Directors has appointed a Compensation & Nomination committee.

The general provisions applicable to the specialised committees also apply to the Compensation & Nomination Committee.

## ROLE & RESPONSIBILITIES

Powers

Composition

Meetings

The role of the Compensation & Nomination Committee consists of:

- **ASSISTING** the Board of Directors in all matters relating to the (re-)appointment and performance review of the members of the Board of Directors, of the CEO and of the members of the Executive Committee as well as in all matters in which the Board of Directors is looking for advice in appointment or performance review matters;
- **PREPARING** for the Board of Directors the general principles of the remuneration arrangements and policy for executives, senior management and executive staff (“cadres/kaders”) and making proposals to the Board of Directors on the individual remuneration of the CEO and of the members of the Executive Committee as well as of the non-executive board members;
- **MONITORING** the executive succession planning, the talent management and the talent pipeline as well as the organizational development, the culture and engagement within the Vandemoortele Group.





# THE COMPENSATION & NOMINATION COMMITTEE



The Board of Directors has appointed a Compensation & Nomination committee.

The general provisions applicable to the specialised committees also apply to the Compensation & Nomination Committee.

Role & responsibilities

## POWERS

Composition

Meetings

## (RE-)APPOINTMENTS

The Compensation & Nomination Committee:

- selects the CEO and submits the proposal for appointment to the Board of Directors;
- submits to the Board of Directors, on the recommendation of the CEO, the appointment of the members of the Executive Committee;
- selects the non-family directors and recommends suitable candidates to the Board of Directors;
- prepares plans for the orderly succession of members of the Board of Directors and the executives.

## PERFORMANCE REVIEW

The Compensation & Nomination Committee:

- assesses the performance of the CEO;
- discusses, on the basis of the report of the CEO, the performance review of the members of the Executive Committee;
- evaluates the individual performances of the directors.

# THE COMPENSATION & NOMINATION COMMITTEE



The Board of Directors has appointed a Compensation & Nomination committee.

The general provisions applicable to the specialised committees also apply to the Compensation & Nomination Committee.

Role & responsibilities

## POWERS

Composition

Meetings

## REMUNERATION

The Compensation & Nomination Committee:

- communicates proposals to the Board of Directors about the remuneration of the Chairperson of the Board of Directors and the directors;
- formulates, for approval by the Board of Directors, the general principles for the remuneration of non-executive board members;
- makes proposals to the Board of Directors (i) on the remuneration of the members of the Executive Committee on the basis of the proposal of the CEO as well as (ii) on the remuneration of the CEO;
- formulates, for approval by the Board of Directors, the general principles of the remuneration policy for executives, senior management and executive staff ("kaders/ cadres"), on the basis of the proposal of the CEO and reviews yearly the global budget;
- exceptionally, makes recommendations to the Board of Directors as to whether members of the Executive Committee may exercise additional mandates or activities outside the Executive Committee, with or without the intention of making gain.



# THE COMPENSATION & NOMINATION COMMITTEE

The Board of Directors has appointed a Compensation & Nomination committee.  
The general provisions applicable to the specialised committees also apply to the Compensation & Nomination Committee.

Role & responsibilities

## POWERS

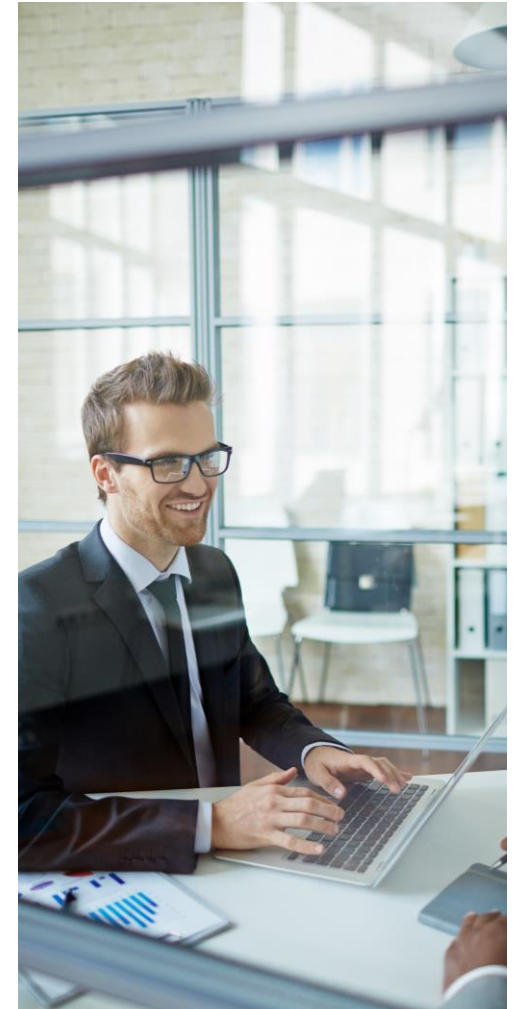
Composition

Meetings

## TALENT MANAGEMENT, ORGANIZATIONAL DEVELOPMENT AND CULTURE & ENGAGEMENT

In addition, the Compensation & Nomination Committee:

- follows up the status of the key recruitments and the executive succession planning;
- monitors the engagement level and culture within the Vandemoortele Group; and
- reviews on a regular basis the executive staff ("kaders/cadres") talent pool and its development as well as the organizational structure of the Vandemoortele Group.



# THE COMPENSATION & NOMINATION COMMITTEE

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The Board of Directors has appointed a Compensation & Nomination committee.

The general provisions applicable to the specialised committees also apply to the Compensation & Nomination Committee.

Role & responsibilities

Powers

**COMPOSITION**

Meetings

The Board of Directors appoints the Chairperson and the members of the Compensation & Nomination Committee. The Chairperson of the Board of Directors is automatically part of this committee. The members of the Compensation & Nomination Committee must be **NON-EXECUTIVE DIRECTORS**.





# THE COMPENSATION & NOMINATION COMMITTEE

The Board of Directors has appointed a Compensation & Nomination committee.

The general provisions applicable to the specialised committees also apply to the Compensation & Nomination Committee.

Role & responsibilities

Powers

Composition

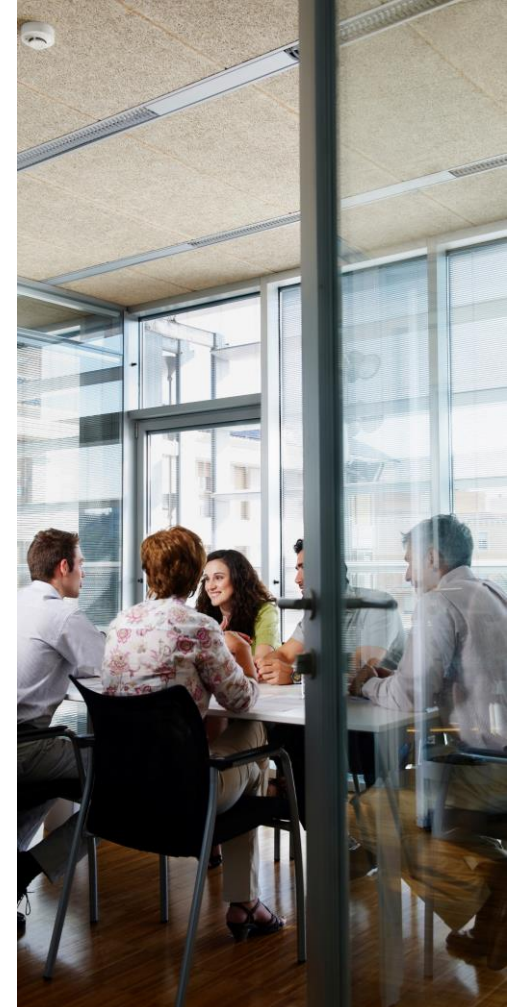
**MEETINGS**

The Compensation & Nomination Committee holds, in principle, **3 MEETINGS A YEAR** and has the option of calling additional meetings if circumstances require so.

It is customary for the Chairperson of the Compensation & Nomination Committee to invite the CEO and the Chief Human Resources Officer to attend the meetings of the Compensation & Nomination Committee unless the Compensation & Nomination Committee decides otherwise.

The Compensation & Nomination Committee may meet with any relevant person without any executive being present.

The Chief Human Resources Officer takes the minutes of the meetings.





# THE AUDIT COMMITTEE

The Board of Directors has created an Audit Committee. The Audit Committee is an “Auditcomité/Comité d’Audit” in the sense of article 7:99 of the CCA. The general provisions applicable to the specialised committees as set forth above also fully apply to the Audit Committee.

## ROLE & RESPONSIBILITIES

Powers

Composition

Meetings

Independent internal audit

The Audit Committee assists and advises the Board of Directors in fulfilling its monitoring responsibilities, especially in the following matters:

- the adequacy and robustness of the internal control and risk management processes along with the supporting IT systems;
- the soundness and reliability of financial reporting;
- compliance with statutory provisions and regulations and with Vandemoortele’s internal policies, procedures and Codes of Conduct;
- the adequacy of the mechanisms put in place for raising concerns - in confidence - about possible irregularities in financial reporting, unlawful or unethical behaviour, breach of the Codes of Conduct or any other matter of this kind;
- appointment, evaluation of the performance, powers and independence of Vandemoortele’s external auditors;
- the performances of the internal audit operations;
- management’s responsiveness to the findings of the internal audit and the recommendations made by the external auditors.

# THE AUDIT COMMITTEE



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Role & responsibilities

## POWERS

Composition

Meetings

Independent internal  
audit

The Audit Committee has the following powers which are designed to bring specific issues to the attention of the Board of Directors:

## INTERNAL CONTROL AND RISK MANAGEMENT

- to ensure the adequacy and robustness of the internal control and risk management processes along with the supporting IT systems;
- to examine the general philosophy regarding identification and analysis of the risks inherent in the activities carried out;
- to monitor the processes and procedures for following up and mitigating the risks identified by the management; and
- to review and assess any investment of € 20 million or above from a financial and risk perspective (including but not limited to reviewing (i) the assumptions of the underlying business plan or motivation and (ii) the NPV and other financial calculations) prior to submitting a recommendation to the Board of Directors who shall take the final decision on such investment.

# THE AUDIT COMMITTEE



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Role & responsibilities

## POWERS

Composition

Meetings

Independent internal  
audit

## SOUNDNESS AND RELIABILITY OF FINANCIAL REPORTING

- to regularly check the internal and external financial reporting and the supporting IT systems;
- to examine key accounting and reporting items, including significant changes in the valuation rules;
- to analyse significant extra-business activities, agreements, undertakings and other relationships with non-consolidated legal entities or other persons which might have a significant impact on the Company, its subsidiaries and affiliated enterprises;
- to inspect the annual financial accounts to make sure that they portray an accurate, honest, and comprehensible view of the financial state of affairs pursuant to the Articles of Association as well as from a consolidated point of view.



# THE AUDIT COMMITTEE



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Role & responsibilities

## POWERS

Composition

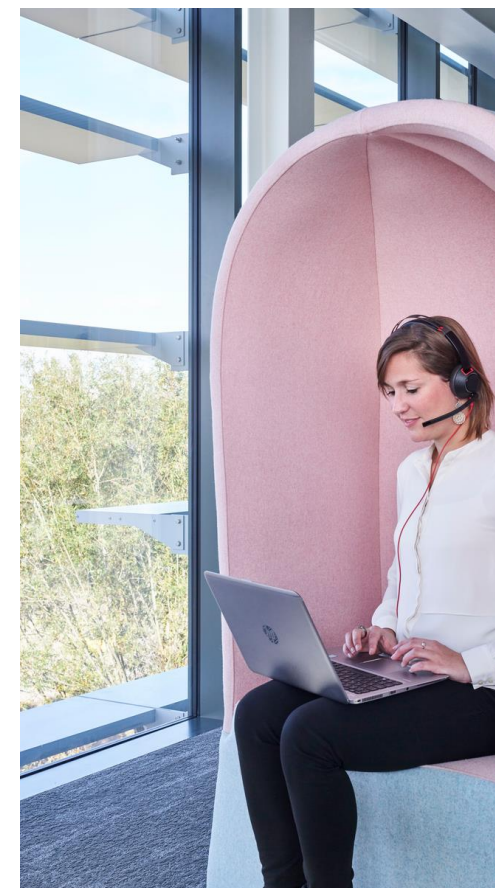
Meetings

Independent internal  
audit

## COMPLIANCE WITH STATUTORY PROVISIONS AND REGULATIONS, INTERNAL POLICIES, PROCEDURES AND CODE OF CONDUCT

The Audit Committee assists the Board of Directors in monitoring the implementation of Vandemoortele’s Codes of Conduct as well as the way the management ensures compliance with the **CODES OF CONDUCT**.

The Audit Committee investigates all cases of non-compliance with the external regulatory principles and/or the internal policies and procedures and which are reported to the Audit Committee by the Internal Audit Manager, the auditor(s), the Chief Legal & Risk Officer, the QA and HSE managers or any other relevant external person.



# THE AUDIT COMMITTEE



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Role & responsibilities

## POWERS

Composition

Meetings

Independent internal  
audit

## APPOINTMENT, EVALUATION OF THE PERFORMANCES, POWERS AND INDEPENDENCE OF THE EXTERNAL AUDITORS

The Audit Committee is responsible for managing relationships with the external auditors, specifically including:

- proposal to the Board of Directors regarding nomination and approval of the remuneration and services of the external auditors (without prejudice to the respective powers of the works councils and the general meeting of the shareholders);
- inspection of the external auditors’ report to the Board of Directors and the management’s response to it;
- investigation of all audit problems or difficulties and the management’s reaction to those problems and difficulties;
- assessment of the performances, powers and independence of the external auditors.



# THE AUDIT COMMITTEE



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Role & responsibilities

## POWERS

Composition

Meetings

Independent internal  
audit

## PERFORMANCES OF THE INTERNAL AUDIT OPERATION

- examination of the status reports of the internal audit department and follow-up of outstanding issues and action points with a view to having them resolved;
- checking the effectiveness of the internal audit department;
- approval of the (re)appointment of Vandemoortele’s Internal Audit Manager on the recommendation of the CEO.

## ANNUAL MEETING

At least 1 member of the Audit Committee attends the Vandemoortele annual general meetings and is at the disposal of the Chairperson to answer any questions from the meeting.



# THE AUDIT COMMITTEE



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Role & responsibilities

## POWERS

Composition

Meetings

Independent internal  
audit

## INVESTIGATIVE POWERS

In order to perform its task, the Audit Committee may request information from any director, manager, or employee and from any adviser, agent, or representative of Vandemoortele; in that respect, the Board of Directors will urge these persons to fully co-operate with the Audit Committee.

The internal and external auditors have direct and unrestricted access to the Chairperson of the Board of Directors and of the Audit Committee.



# THE AUDIT COMMITTEE

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Role & responsibilities

Powers

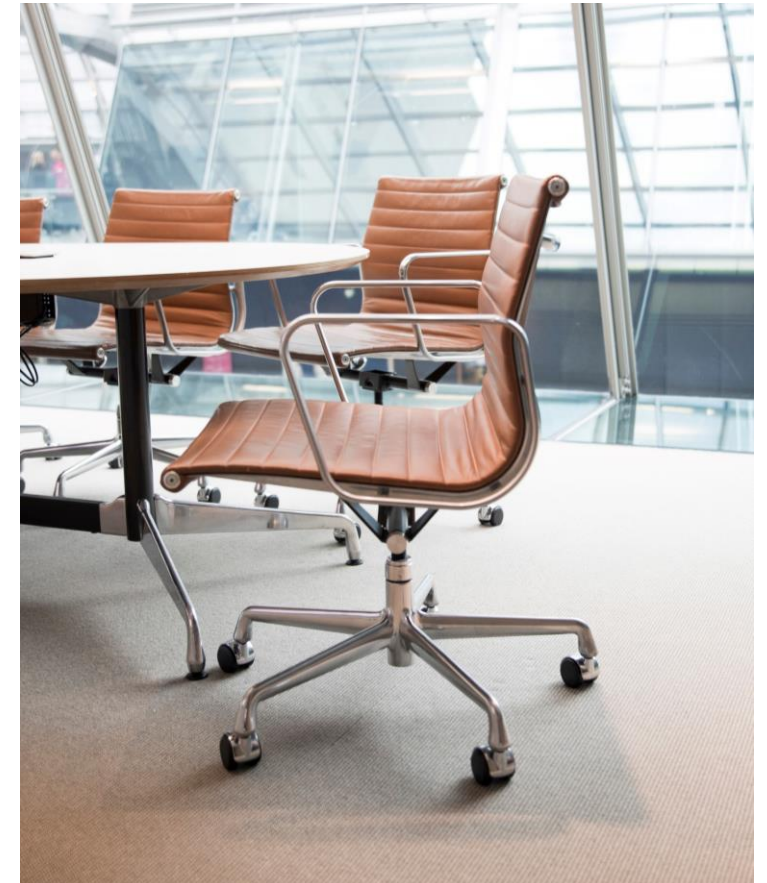
**COMPOSITION**

Meetings

Independent internal  
audit

The members of the Audit Committee are appointed by the Board of Directors and must be non-executive directors. The Chairperson of the Board of Directors is part of the Audit Committee, but does not fulfill the role of Chairperson of this Committee.

The Chairperson of the Audit Committee is appointed by the Board of Directors and is preferably a non-family director.





# THE AUDIT COMMITTEE

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Role & responsibilities

Powers

Composition

**MEETINGS**

Independent internal audit

The Audit Committee meets at least 4 times a year and has the option of calling additional meetings if the circumstances require so.

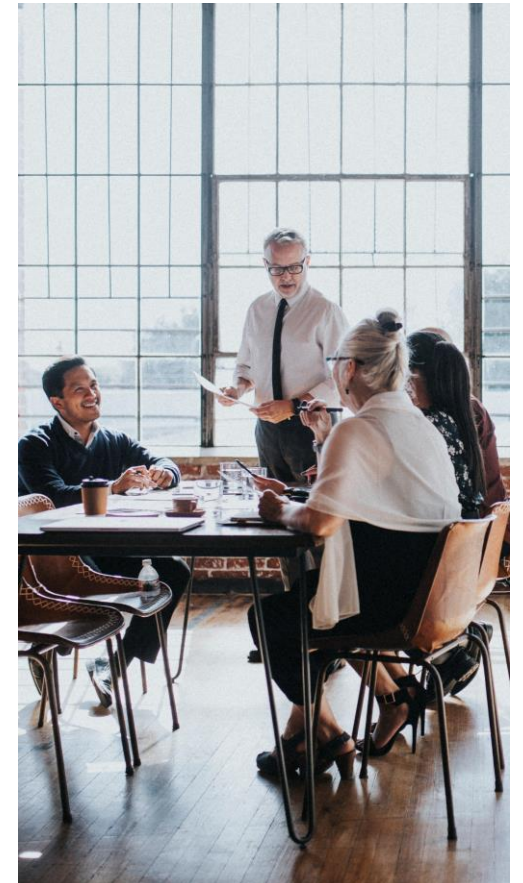
The CEO, the Chief Financial Officer, the Chief Legal & Risk Officer and the Internal Audit Manager are permanently invited by the Chairperson to the Audit Committee meetings, unless the Audit Committee decides otherwise.

The Chairperson of the Audit Committee may invite the external auditors and all other members of Vandemoortele’s executive staff for specific subjects.

The Audit Committee shall organize, with the external auditors and the Internal Audit Manager, a private meeting at least twice a year.

The Audit Committee may meet with any relevant person without any executive being present.

The Internal Audit Manager acts as secretary of the Audit Committee and takes the minutes of the meeting.



# THE AUDIT COMMITTEE

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Role & responsibilities

Powers

Composition

Meetings

**INDEPENDENT  
INTERNAL AUDIT**



The Audit Committee reviews and approves Internal Audit’s remit and ensures that Internal Audit is free to work independently and objectively in line with the principles of the Internal Audit Charter.

**INTERNAL AUDIT CHARTER**



# ROLE, RESPONSIBILITIES & POWERS

The CEO is appointed by the Board of Directors.

He/she has the **FINAL OPERATIONAL AUTHORITY AND RESPONSIBILITY** for the whole Vandemoortele Group within the framework of the decisions made by the Board of Directors and within the confines of the delegation of powers defined by the Board of Directors.

He/she also ensures the daily management of the Company as Managing Director ("Gedelegeerd bestuurder - Administrateur-délégué").

His/her **ESSENTIAL TASKS** include:



leading the Executive Committee;



together with the Executive Committee, developing the strategy of the Vandemoortele Group and its business lines (which will be submitted for discussion and approval to the Board of Directors) and defining the financial and organisational means to realise it;



ensuring the successful implementation of the strategy as approved by the Board of Directors;



# ROLE, RESPONSIBILITIES & POWERS

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He/she chairs the Executive Committee, draws up its agenda, is responsible for a good decision-making process and makes sure his/her decisions are executed.

He/she maintains close contact with the Chairperson of the Board of Directors and is responsible for the preparation of the board discussions and for the execution of the board decisions.

He submits to the Board of Directors the matters which fall within the scope of powers of the Board of Directors.

He/she proposes to the Nomination & Compensation Committee the appointment and dismissal of the members of the Executive Committee as well as their remuneration conditions.

The CEO performs his/her duties in an honourable and ethically justified manner. He/she serves the Vandemoortele Group's interest and adheres to the Vandemoortele Code of Conduct.



# ROLE, RESPONSIBILITIES & POWERS



The Executive Committee **ASSISTS THE CEO** in leading the Vandemoortele Group's operations.

More specifically, the Executive Committee's **ACTIVITIES** consist of:

- discussing, evaluating, and deciding on (where provided, with submission for discussion and approval to the Board of Directors and/or its specialised committees) the matters and topics that have an important strategic and/or operational impact on the Vandemoortele Group and/or have implications beyond a business line or a group service and more specifically on:
  - the strategy of the Vandemoortele Group and its business lines as well as the corresponding business plans;
  - the resources to implement them: organisation and people, key action plans and investment plans;
  - the general policy in the areas of operations, sales, procurement, supply chain, finance, human resources, sustainability and communication;
- appointing and dismissing the members of the management committees of the business lines as well as the executives of the group services;
- determining the adjustments to the remunerations of the executive staff each year;
- presenting complete and reliable financial statements to the Board of Directors as well as assessments of the Company's and the Vandemoortele Group's financial situation;
- monitoring the operations and taking corrective action in the event of significant deviations or problems;
- ensuring adequate internal control and risk management systems, including in respect of financial risks and of compliance with the Vandemoortele's Codes of Conduct, Policies and Charters, based on the framework approved by the Board of Directors;
- providing the Board of Directors with all necessary information in a timely manner to allow the Board of Directors to carry out its duties.

# COMPOSITION & OPERATION

The Executive Committee is composed of the CEO, the Managing Directors of the two business lines, the Chief Financial Officer, the Chief Human Resources & Sustainability Officer, the Chief Legal & Risk Officer and the Chief Transformation Officer & Managing Director France.

Each member of the Executive Committee other than the CEO is **RESPONSIBLE FOR HIS/HER SPECIFIC BUSINESS LINE OR GROUP SERVICE** and reports to the CEO.

The members of the Executive Committee are appointed by the Board of Directors upon proposal of the CEO and the Compensation & Nomination Committee.

The Executive Committee meets, in principle, every 2 weeks with the option of calling additional meetings if circumstances so require.

The Chief Legal & Risk Officer captures the decisions taken and actions decided on during the meeting, a copy of which is made available to the Chairperson of the Board of Directors.



# RULES OF CONDUCT

The members of the Executive Committee perform their duties in an **HONOURABLE AND ETHICALLY JUSTIFIED MANNER**. Above all else, they serve the Vandemoortele Group's interest and adhere to the Vandemoortele Code of Conduct.

They disregard their personal interests when the Executive Committee takes a decision and refrain from using business opportunities intended for the Company for their personal interest.



# REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND THE SPECIALISED COMMITTEES – DIRECTOR & OFFICER INSURANCE

The directors receive a **MARKET COMPLIANT REMUNERATION** for the exercise of their mandate as director in the form of a fixed annual fee. All directors receive the same remuneration except for the Chairperson, who receives a remuneration which is twice the remuneration paid to the other members.

The members of the specialised committees receive a **FIXED FEE** for each specialised committee meeting which they attend. This fixed fee is the same

for all members except for the Chairperson of the specialised committees who receive a fee which is twice the amount of the fee paid to the other members.

Vandemoortele NV takes out suitable directors and officers liability **INSURANCE COVERAGE** for the benefit of the directors and officers. The conditions and terms of such coverage are customary for the size and the business of the Vandemoortele Group.



# REMUNERATION POLICY FOR THE CEO AND THE EXECUTIVE COMMITTEE

The level and the structure of the remuneration of the CEO and of the members of the Executive Committee is such that:

- qualified and skilled professionals can be attracted, retained, and motivated;
- the meeting of ambitious performance targets in the short and long term is encouraged;
- a strong individual contribution as well as a good team performance are encouraged, acknowledged, and rewarded.

The remuneration package consists of **3 COMPONENTS**: a fixed remuneration, a variable remuneration in the form of an annual bonus (STI) and share options (LTI).

The Compensation & Nomination Committee periodically checks the market compliance of this total remuneration package and its components based on studies drawn up by external human resources specialists.

The fixed remuneration of the CEO and the members of the Executive Committee is tailored to the individual responsibility which they bear within the Vandemoortele Group and is evaluated each year by the Compensation & Nomination Committee.

A suitable portion of the total remuneration is variable and is paid via an annual bonus; this bonus is tied to pre-defined targets and predetermined parameters which reflect the performance of the Vandemoortele Group and its business lines in the short term.

The Board of Directors also awards on an annual base share options on the Vandemoortele NV shares under the terms of the law of 26 March 1999 (as amended from time to time) and depending on the Company's results and the individual performances of the CEO and the members of the Executive Committee.

Furthermore, the CEO and the members of the Executive Committee are the beneficiaries of a social benefit plan and Vandemoortele NV takes out suitable professional liability insurance coverage for them. The conditions and terms of such coverage are customary for the size and the business of the Vandemoortele Group.



# QUESTIONS?

**Aline Mainil**

**Group Corporate Legal Counsel**

**[aline.mainil@vandemoortele.com](mailto:aline.mainil@vandemoortele.com)**