



# Corporate Governance Charter



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## **Introduction**

INDAVER places great importance on making its corporate governance system accessible and comprehensible to its shareholders and other stakeholders (general public, clients, personnel, suppliers). Indaver is conscious of the fact that the sustained trust by both shareholders and other stakeholders is a key element in the positive development of the company. That is why INDAVER aims for continuous transparency with respect to the rights of shareholders and with respect to the management and control of the company.

INDAVER is not a listed company and as such has no formal obligation to comply with any corporate governance code. Nevertheless, INDAVER supports the principles of the Belgian Corporate Governance Code and undertakes to comply with the provisions of this code wherever possible and useful. INDAVER undertakes to constantly evaluate and improve its own corporate governance principles to meet local and international developments in this area and to meet the needs of its shareholders and other stakeholders.

INDAVER will, therefore, regularly report on the status of its corporate governance, both in its annual report and on its website.

The following subjects will be dealt with in this report:

Section I: INDAVER shares and shareholders

Section II: Board of Directors of INDAVER

Section III: Management of INDAVER

Section IV: Control on good governance

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N.B. The present document is for information purposes only. In the event of any inconsistency between this charter and the articles of association of INDAVER NV or the agreements between shareholders, the articles of association and the shareholder agreements shall prevail.

# **1 INDAVER SHARES AND SHAREHOLDERS**

## **1.1 The share**

INDAVER NV is a private company under Belgian law and is subject to the regulations of the Belgian Company Code (*Wetboek Vennootschapsrecht*).

### **1.1.1 Number and type**

The share capital of the company amounts to Euro 87,352,745.05, divided into 1,906,745 registered shares of no par value. At present, the shares are held by NV Katoen Natie International (1.906.744) and NV Delta Container Services (1).

### **1.1.2 Shareholders' register**

The identity of all shareholders is listed in a shareholders' register. Shareholders may obtain an extract from the register on request. The shareholders' register is available for inspection at INDAVER's registered office.

### **1.1.3 Dividends**

Except for the interim-dividend, the decision for paying out dividends is the authority of the General Meeting of Shareholders.

## **1.2 The shareholders**

### **1.2.1 Information to shareholders**

INDAVER will ensure that the shareholders have the best possible access to all relevant information and it encourages his shareholders to exercise their legal rights thereto. INDAVER will also ensure that all legal rules with regard to periodic and occasional provision of information are strictly complied with. INDAVER is engaged in a dialogue with his shareholders which is based on a mutual understanding of goals and objectives.

### **1.2.2 KTN International as shareholder of INDAVER NV**

KTN International is a Luxemburg based holding company owned by the family Fernand Huts. The second shareholder, Delta Container Services NV, is also a Katoen Natie company.

### **1.3 The general meeting of shareholders**

The general meeting of shareholders is the corporate body having the supreme corporate authority within the company. The position of the general meeting of shareholders is ruled by Title IV. of the articles of association of INDAVER .

## **2 THE BOARD OF DIRECTORS OF INDAVER (*Raad van Bestuur*)**

### **2.1 Appointment of the board members. End of the mandates**

According to articles 11 to 17 of its articles of association, INDAVER is managed by its Board of Directors consisting of minimum 3 members (directors). The company's interest is the director's first concern. The members of the board will prepare thoroughly for the meetings and take an active part in debates.

The board members are appointed and can be dismissed at all times by the General Meeting of Shareholders. New members can be co-opted by the board of directors when a place is vacant. They shall be appointed for the remainder of the time of the director(s) they replace. Such appointment shall be confirmed at the next shareholders' meeting.

According to the law the board members are appointed for a maximum of 6 years. The Articles of Association of the Company do not provide for a shorter term. The members are eligible for re-appointment. Board members can be natural or legal persons. There are no nationality requirements.

### **2.2 Chairman of the Board of Directors**

A chairman is elected by the members of the Board of Directors .

The chairman chairs the meetings of the Board of Directors. In his/her absence, the oldest member fulfils this role. The chairman can be advised and assisted by the board committees (if any) and he/she has a permanent invitation to attend their meetings.

The chairman is responsible for ensuring that the Board of Directors operates in accordance with this

charter.

The chairman leads the board and is responsible for its effective working. He/she plans the meetings of the Board of Directors and, after consulting with the CEO, sets the dates for the board meetings. He/she prepares the general agenda of the board by putting the issues on the agenda that need to be discussed during the course of the year. The chairman also sets the agenda for each meeting, indicating which items are for information, for discussion or for resolution.

The chairman monitors the quality of the ongoing interaction and dialogue at board level. He/she ensures that the Board of Directors receives up-to-date and relevant information about important aspects of the company strategy, the business activities and the financial statements of INDAVER, including developments relating to its competitors. He/she takes initiatives which help to develop and perpetuate a climate of respect, trust and openness within the Board of Directors in general, and between members of the board and the management in particular.

The chairman ensures that the composition of the board sufficiently guarantees the monitoring of the economical, social and environmental aspects of the company and the business.

The chairman ensures that new board members are given a suitable induction programme and that individual board members' training needs are identified and met.

The chairman chairs the general meetings of shareholders and ensures that they are conducted efficiently. In the absence of the chairman, the oldest member takes over his/her duties and responsibilities.

### **2.3 Operation of the Board of Directors**

The operation and the decision powers of the Board of Directors are ruled by the articles of association of the company (art. 13 ff.). The Board of Directors meets at least four (4) times a year. In addition to these meetings, a meeting of the board can be convened at any time at the request of at least two directors. The dates of the meetings for the coming year are fixed at the last meeting of the year that is coming to an end.

Invitations with the agenda for the board meeting are sent out at least ten calendar days before each meeting. In urgent circumstances, this period may be shorter. All documents for the meeting shall also be sent out on time. The invitation contains the agenda. Each item on the agenda must be marked:

for information

for discussion  
for approval or resolution

Agenda items “for discussion” can be used to take notice of the views of the Board of Directors at a sufficiently early stage with regard to issues which will be put on the agenda of a later meeting “for resolution”. This allows the management to take these elements in consideration in their preparation for later decisions.

Documents and resolutions are prepared by the most appropriate bodies in the company or by the chairman of the board.

Often, this is the **International Management Team (IMT)**.

The Board of Directors pays particular attention to ensuring an efficient decision-making. The Board of Directors can only hold meetings and take valid resolutions others than by unanimity, on matters that are put on the agenda. In general physical meetings are held. However, it is foreseen in the Articles of Association that valid Board Meetings can also be held by way of telephone – or video conferencing or any form of combination between a physical presence and telephone- or video conferencing. For issues that are not on the agenda valid resolutions can only be taken if all of the directors participate and vote unanimously. In exceptional circumstances it is possible to take written resolutions, but only by unanimous vote of all the directors. However, such a written resolution can not be taken to adopt the annual accounts or to take decisions on the use of the capital. An extraordinary meeting of the board may be convened when necessary, certainly in the event of important and urgent matters. It is the chairman who decides whether this is the case. In the event of a written resolution, a document shall be prepared and sent to the board members, explaining the issue. The wording of the proposed decision shall be clearly set out. The document is also to clarify the reasons why the matter is urgent and indicate the final date by which the directors have to give their approval or disapproval. Such written resolutions shall be put on the agenda of the next meeting of the board as a separate item.

The Board of Directors is entitled to request advice and assistance from members of the International Management Team or any other third party or expert, and request the attendance of these persons at a board meeting, if their assistance or attendance is deemed necessary or useful. The costs incurred are borne by INDAVER.

In principle, the meetings of the Board of Directors are attended by the CEO and the CFO, except for meetings where their remuneration, their appointment, their dismissal, the terms of their employment or



their legal status are to be discussed.

The Board of Directors decides with a simple majority of votes cast but should operate as a group.

Minutes of every meeting are drafted. Specific requests shall be noted. The minutes are submitted for approval at the next board meeting. They are signed by the chairman and at least the majority of the board members present. The minutes of the meetings are saved in a special register. The minutes include a record of the documents submitted to the board members in view of the meeting.

## **2.4 Duties and obligations of the individual directors**

Each board member is bound by a duty of confidentiality and shall take the utmost care to preserve strict confidentiality about the deliberations of the Board of Directors and other information relating to INDAVER.

Board members can not engage in activities that are directly or indirectly competing with Indaver group activities and should take all useful measures to avoid conflicts of interests. In the event there is a conflict of interest a specific procedure, set forth in the Belgian Company Code (*Wetboek Vennootschapsrecht*) and the articles of association of the company, applies.

The board members of INDAVER NV are in practice non-executives.

Natural persons, board members, are considered self-employed for the purposes of employment law and social security law.

## **2.5 Decision powers and Representation powers of the Board of Directors**

Decision powers:

2.5.1. **The Board of Directors** has the corporate authority to do anything that is necessary or useful to reach the company's goals, except for those powers specifically entrusted to the General Meeting of Shareholders by law or by the articles of association.

The Board of Directors has corporate authority regarding the following matters:

- Determining the policy/strategy of the Indaver Group;
- Supervision of the Management (approval budget(s), plan(s), important project(s) and structural

reforms, facilitate good internal relations between the shareholders and Indaver NV);

- Appointment and dismissal of the CEO and members of the International Management team;
- Determination of the remuneration of the CEO and members of the International Management team;
- Adoption of the draft annual accounts and annual report;
- Declaring interim-dividend;
- Convening of the General Meeting of Shareholders;
- Any other matter that is not specifically reserved for one of the other corporate bodies in the Company Code (*Wetboek Vennootschapsrecht*) or the Articles of Association of Indaver NV.

2.5.2. In application of the Articles of Association the board of directors has delegated the **daily governance (*Dagelijks Bestuur*)** of the company to the **CEO**. The CEO is a corporate body and has the powers assigned to him/her by law (nl. *Dagelijks Bestuur*).

There is no statutory definition of daily governance (*Dagelijks Bestuur*) under Belgian law. Jurisprudence defined '*Dagelijks Bestuur*' as:

- actions required by the daily business of the company (as determined by the corporate purpose and the activities of the company) such as
  - execution of decisions of the Board of Directors, which includes ongoing actions in the current activities of the company and implementation of marketing decided by the Board of Directors
  - payment of claims which are due
  - administrative formalities (opening of accounts; registration with authorities)
  - hiring and dismissal of employees (which are not part of the higher management echelons)
  - supervision of personnel
  - management of the books and records
- urgent measures which cannot wait for the convocation of a meeting of the Board of Directors and are of minor importance or value
- representation towards third parties with respect to daily management.

2.5.3. The **daily management (*Dagelijkse leiding*)** of the company is delegated to the **CEO and the CFO**. Decisions are to be taken by the CEO and the CFO whereby the CEO has a casting vote. In the case the CEO makes use of his/her casting vote he/she shall motivate his/her decision.

Representation powers:

The power to represent INDAVER is vested in the Board of Directors.

INDAVER shall be legally represented, either by the chairman of the board acting solely or by two directors acting jointly.

In relation to the daily governance (*Dagelijks Bestuur*), INDAVER may also be represented by the daily manager (*the "CEO"*).

The company may besides that always be represented by special proxy holders within the limits of their proxy.

The Board of Directors has appointed proxy holders (principle: acting jointly two by two) and have given them precisely defined tasks which should be performed within the limits of such proxy and by virtue of which the proxy holders may take the specified decision and/or represent the company towards third parties.

The proxies are published in the Belgian State Gazette, which facilitates the proof towards third parties.

These proxies are regularly modified or revoked when necessary.

## **2.6 Remuneration of the board members**

Pursuant to article 15 of the articles of association, the board members can be awarded a remuneration by the General Meeting of Shareholders

### **3 THE COMMITTEES OF THE BOARD OF DIRECTORS OF INDAVER**

#### **3.1 General**

The Board of Directors may establish specialised committees to meet the needs arising in connection with the management of the company.

The role of the committees is to advise the Board of Directors on matters with which the committees have been entrusted in preparation for decisions for the board to take. However, these committees do not have any decision power with regard to their tasks. They only advise the board.

These committees are set up and their tasks are determined by resolution of the Board of Directors, with a simple majority of the votes cast. Also the tasks and the composition of the committees can be reviewed and the committee may be dissolved at any time by resolution of the board with a simple majority of the votes cast.

A committee may decide whether to invite the CEO and/or the CFO to its meetings. Committees may seek advice and assistance from professionally qualified personnel in the company.

The committees shall endeavour to formulate unanimous recommendations. If they do not manage to do so, the committee shall clearly communicate such to the board informing the latter either they can not make a recommendation either they express a divided opinion.

Each committee shall draw up its own charter defining its own internal procedures. The charters have to be approved by the Board of Directors.

## **4 MANAGEMENT OF INDAVER**

### **4.1 Organisation of the management**

To promote effective business operations, the Board of Directors has based the organisation of the INDAVER Group on a regional structure actually composed of 4 regions: Belgium, the Netherlands, Ireland & UK and Germany, combined with an EU-wide IWS marketing & sales (M&S) approach through the IWS M&S department at group level.

This regional structure and the international IWS M&S department are controlled by the management at group level, the IMT.

The Board of Directors has the authority to modify this structure in the interest of an effective day-to-day management of the INDAVER Group.

Each region is steered by a Regional Management Team.

The appointment of international field coordinators (métiers) and international competence centres should guarantee uniformity in best practices, knowledge management and operational excellence.

### **4.2 The International Management Team (IMT)**

#### **4.2.1 General**

In addition to the daily management (Dagelijkse leiding) of the company, the Board of Directors has created an IMT which acts as a deliberation committee for the daily management.. The IMT is essentially a team with the CEO as chairman. The members of the IMT are appointed and dismissed by the Board of Directors and are hereinafter referred to as the “managers”. The different tasks within the company are individually and internally assigned to the managers of the IMT.

The IMT is composed of 11 members.

Besides the CEO and the CFO the members of the IMT are: Regional Managing Director of Belgium (BELUX), Regional Managing Director of The Netherlands, Regional Managing Director of Germany, Regional Managing Director of Ireland/UK, Chief Commercial Officer IWS, Chief HR Officer, Chief Engineering Director, Chief Organisational Development Officer and Director Supply Chain Operations.

#### **4.2.2 Role and tasks of the International Management Team**

The IMT develops the INDAVER Group strategy for approval by the Board of Directors. Once approved, the IMT is responsible for the execution of the strategy. If required, the IMT is also entitled to propose modifications to the strategy, in order to increase and protect shareholders' value.

The IMT ensures that the activities developed by the members of the INDAVER Group are in line with and support the execution of the approved strategy.

The IMT ensures that all actions and behaviour displayed within the Group are not in conflict with the company values.

The IMT is responsible for the results of INDAVER. This regards the financial results as well as the quality, safety and environmental results.

The IMT proposes the yearly budget to be approved by the Board of Directors.

The IMT proposes investment requests to be approved by the Board of Directors.

The IMT approves the operational plans developed by the regions and the departments concerned in order to realise the strategy and the Group budget. The IMT allocates the necessary resources in order to allow the Group members (regions) and departments to execute their plans and to reach their goals. The IMT periodically reviews the YTD status and the outlook. If necessary the IMT takes actions in order to correct and/or to support.

The IMT is responsible for the accuracy of the reported figures and data to be presented to the Board of Directors and/or external bodies.

The IMT approves the general S&M plans. The IMT is also responsible for developing competitive advantages.

The IMT is responsible for the correct functioning of the organisation. The IMT helps and controls the regions, departments and support functions to be in compliance with the INDAVER principles and procedures.

The IMT supports, stimulates, fuels and coordinates innovation and growth.

#### **4.2.3 Relationship between the Board of Directors and the management**

The communication and reporting between the board and the IMT mainly goes through the CEO and the CFO, who generally attend the board meetings except for those meetings which shall deliberate on their appointment, remuneration, dismissal, employment conditions or status.

#### **4.2.4 Remuneration of the management**

The remuneration of the members of the IMT is decided by the board upon proposal from the CEO. The remuneration of the managers can be a fixed remuneration, a variable remuneration or a combination of both.

## **5 CONTROL ON GOOD GOVERNANCE**

### **5.1 External audit (*de Commissaris*)**

The external auditor performs the external audit of INDAVER NV.

The external auditor of INDAVER NV also fulfils the role of group auditor to the INDAVER Group.

The external auditor is appointed by the general meeting of shareholders upon proposal of the board of directors.

Upon consultation with the CEO and the CFO, the Board of Directors drafts a proposal in relation to the appointment or reappointment of the external auditor of INDAVER NV and the level of his/her remuneration. The board will then submit its proposal for approval by the general meeting of shareholders.

The INDAVER external auditor is in charge of:

- the annual audit and audit opinion on the annual accounts of INDAVER NV and the consolidated annual accounts of the INDAVER Group;
- a half-yearly limited review of the annual accounts of INDAVER NV and the consolidated annual accounts of the INDAVER Group.

The shareholders of each subsidiary, where legally required, shall appoint the auditor of the subsidiary.

### **5.2 Internal audit**

Indaver NV has an internal audit department which performs internal audits of Indaver Group companies on a regular basis.

Subsidiaries should provide their full cooperation with said audit department.

The internal audit department reports to the CFO.

The purpose of these internal audits is a.o. to check compliance with internal rules and powers, to prevent fraud and to increase awareness for being in compliance.

The Board of Directors may at any time entrust the internal audit cell with a specific audit assignment without



consulting or informing the management.

### **5.3 Other control instruments**

In addition to the various quality systems and certificates (ISO, EMAS, etc.), a great deal of importance is also attached to integrated, and where possible automated or IT-based, internal control systems in a number of areas: safety, environment, quality, financial reporting, etc. On a regular basis these systems are evaluated by both the external and internal audit and the results are submitted to the Board of Directors.

An integrated approach of annual targets (personal, departmental and business targets) which are systematically followed up should ensure the continuous process of improvement.

### **5.4 Follow up and evaluation**

At least once every two years the Board of Directors makes an evaluation of its activities in order to check its proper and efficient operation.

### **5.5 Miscellaneous**

INDAVER endeavours to identify and reduce the main risks by means of suitable risk assessments and analyses, improvement projects and emergency plans.

Where appropriate, insurance cover is provided.

INDAVER's property as well as its liability including the liability of its directors and management and liability for environmental risks are duly insured.

## **APPENDICES**

Delegation of proxies (approved by the Board of Directors on December 22<sup>nd</sup> , 2015 )