

## Corporate Governance Charter

The main objective of the principles of governance adopted by Logwin is to contribute to the creation of long-term value for all shareholders. The objective is to achieve balance between a performance orientated strategy and adherence to reliable risk management systems and internal controls.

In the light of this objective the rules of corporate governance seek to achieve the following:

- determination of the Company's objectives, the means through which these are to be attained and the methods of evaluation of performance,
- compliance with applicable laws and regulations,
- effectiveness and efficiency in the running of the Company's operations,
- reliability of financial and accounting information,
- a proper balance between entrepreneurship and control,
- facilitation of performance-driven management, whilst ensuring integrity and transparency in the decision-making process.

## **1 Corporate Governance Framework**

- 1.1 Corporate Governance within Logwin is based on Luxemburg law and Logwin's articles of incorporation. As far as applicable it takes into account other laws and regulations such as the German capital market law.
- 1.2 Logwin's Corporate Governance is oriented towards the ten Principles of Corporate Governance of the Luxemburg Stock Exchange as amended on October 2009.
- 1.3 Logwin's Corporate Governance is specified - inter alia- in management bylaws and internal policies.

## **2 Shareholders**

- 2.1 The Company has due regard to the rights of its shareholders and ensures they receive equitable treatment. It shall establish a policy of active communication with its shareholders.

Whilst fulfilling its reporting and publication obligations, the Company uses the most appropriate media to disseminate this information and to keep it regularly updated.

- 2.2 The Company discloses its share ownership structure. Such disclosure specifies the number of shares issued, the number of shares with voting rights, the number of shares the Company holds in itself and insofar as the Company has been notified the identity of the shareholders with a holding of 5% or more of the voting rights.
- 2.3 The Company ensures that its shareholders receive equitable treatment, by providing them with useful and pertinent information enabling them to exercise their rights. The board ensures that due account is taken of the interests of majority and minority shareholders.

A specific section of the Company's website is dedicated to its shareholders, on which they should be able to find inter alia the provisional timetable of general meetings and periodic information, convening notices to annual general meetings, the conditions of access and terms of voting for shareholders and any relevant documentation for annual general meetings of shareholders.

- 2.4 The Company encourages the participation of shareholders at general meetings and take measures to facilitate that participation taking due account of the composition of its share ownership structure. Shareholders who cannot be present must be able to vote by proxy, correspondence or remote participation via electronic means.

In the convening notice to an annual general meeting, the Company shall make available to all the shareholders the items on the agenda and the resolutions to be put to the vote.

- 2.5 The Company acknowledges the right of any shareholder or group of shareholders holding the percentage of the capital determined by applicable law and/or listing regulations to require items to be placed on the agenda for the annual general meeting and to lodge draft resolutions on the items on the agenda on the day of the annual general meeting.
- 2.6 The Company ensures that its shareholders have the possibility to assume their role fully at general meetings and put questions to the board and the executive management. The chairman of the board ensures that relevant questions raised by shareholders at the general meeting receive the appropriate answers, provided that they are not liable seriously to harm the Company, its shareholders or personnel.

The Company posts the results of votes and reports about its annual general meeting on its website without delay after this meeting.

- 2.7 The Company ensures that the annual general meeting of shareholders is a privileged occasion when the board accounts to the shareholders for the performance of its duties and that at such meetings the board and the executive committee are represented by a large number of their members.

### **3 The Board of Directors**

- 3.1 The board is responsible for the management of the Company. As a collective body, it acts in the corporate interest and serves the common interests of the shareholders ensuring the sustainable development of the Company. The executive management of the Company is entrusted to an executive committee, headed by a board member who may be the chairman of the board. The board shall ensure effective monitoring and control of the executive management.
- 3.2 The board, as well as each of its members are bound by a duty of loyalty towards the Company and all of its shareholders.
- 3.3 The board shall be organised in a manner to perform its tasks effectively. It shall meet as often as is necessary for the effective discharge of its obligations. It ensures that the necessary financial and human resources are available to allow the Company to reach its objectives.

It shall be composed of experienced directors, with complementary knowledge and skills, taking into account the size and activities of the Company. It may include directors with

executive power to manage and to administer the Company.

It shall have a sufficient number of independent directors in the light of the nature of the Company's activities and its share ownership structure. To be considered independent, a director must not have any significant business relationship with the Company, close family relationship with any executive, or any other relationship with the Company, its controlling shareholders or executives which is liable to impair the independence of the director's judgment.

In their diversity, members of the board represent the required complementarities of experiences and knowledge for the proper functioning of the board. The size of the board shall be appropriate to facilitate effective decision-making and large enough for its members to contribute experience and knowledge from different fields and for changes in its composition not to create undue disruption.

Executive and non executive directors shall have access to the information and resources that are necessary to discharge their duties.

- 3.4 The board decides on the values and objectives of the Company, its strategy and key policies in implementing them and the level of risk acceptable to the Company. It draws up the annual and periodic accounts.

The board shall give proper consideration to its staff policy and code of conduct. It shall take into consideration all the aspects of the corporate responsibility of the Company.

- 3.5 The Company will ensure that new directors receive adequate information about the structure and working procedures of the Company.

- 3.6 The board has *inter alia* adopted appropriate rules to avoid insider dealing or market manipulation of its securities. The management should regularly provide the members of the board with information on the provisions governing these areas.

The board of directors has determined rules to govern the behaviour and notification obligations in relation to transactions in the Company's shares or other financial instruments (hereinafter called the "Company's securities") carried out for their own account by directors, persons bearing executive responsibilities and persons with a close link to them, as well as all other persons bound by these obligations.

Such rules set limitations on the transactions in the Company's securities for a designated period prior to the publication of its financial results ("closed periods") and all other periods considered to be sensitive ("prohibited periods").

Transaction in the Company's securities when made by a director or other individual bound by these obligations must be reported to the board.

- 3.7 The board appoints a chairman who prepares the agenda for board meetings. The chairman ensures that the procedures for the preparation of meetings, deliberations, decision-making and the implementation of decisions, are correctly applied. He shall take the necessary steps to create a climate of trust within the board, contributing to open discussion, the constructive expression of opinion of each of its members and support for decisions taken by the board.

The chairman ensures that directors receive timely and adequate information enabling them to perform their duties in an informed manner.

Directors shall fully acquaint themselves with the information received. They may request additional information via the chairman of the board whenever they consider it to be appropriate.

- 3.8 Each director shall devote the necessary time and attention to his duties and arranges his other professional commitments to the extent necessary for him to be able to properly discharge his duties.

In making board decisions, directors must exercise independent judgment and objectivity.

Directors are bound to keep confidential any information they acquire in their capacity as directors and shall not use it for any purpose other than the exercise of their duties.

No single director or group of directors shall dominate the board's decision-making process. The decision-making process shall allow each director to express his point of view.

All the directors should contribute to the development of the strategy and the key policies in a critical and constructive discussion of proposals submitted.

- 3.9 The board ensures that a compliance officer is appointed, whose duties and responsibilities shall be defined by the board. The compliance officer's mission is, *inter alia*, to monitor compliance with the rules relating to directors and officers dealings. The compliance officer shall have at all times access to the chairman of the board and the audit committee.
- 3.10 The board appoints a secretary to ensure, under the authority of the chairman, the implementation of the rules and procedures regulating the functioning of the board. The secretary, in conjunction with the chairman of the board, prepares minutes of the board

meetings.

The list of the board members is disclosed in the annual report of the company

- 3.11 The board ensures that special committees are constituted to examine specific topics determined by the board and to advise the board thereon. It chooses each committee's members with due regard to the need to renew such membership from time to time and without undue reliance on particular individuals.

The committees of the board discharge their duties within the scope determined by the board and report regularly to the board on their activity and their findings.

The committees may seek expert assistance in obtaining the necessary information for the proper fulfilment of their duties. The Company provides each committee with the financial resources it needs for this purpose.

#### **4 Appointment of directors**

- 4.1 A nomination committee has been established from amongst the members of the board to assist in the selection of directors. The board has determined the committee's internal regulations.

The nomination committee is composed of a majority of non executive directors. It shall contain at all times a sufficient number of independent directors. The nomination committee is chaired by an independent non executive director.

- 4.2 The board ensures that the nomination committee has access to the necessary skills and means to effectively fulfil its role.
- 4.3 The nomination committee meets as often as it considers necessary and the chairman of the nomination committee shall prepare the minutes of its meetings. It may seek assistance from external experts in the performance of its duties. After each meeting of the nomination committee, its chairman shall report to the board.
- 4.4 The nomination committee shall prepare plans for the succession of directors. It ensures that at all times a balance of skills is maintained within the board and that there is a sufficient number of independent directors.
- 4.5 All proposals for the appointment of a director submitted to the annual general meeting shall be accompanied by a recommendation from the board. The proposal shall specify the proposed term for the directorship. It shall be accompanied by relevant information on the

professional qualifications of candidates as well as a list of the positions and directorships held by candidates.

## **5 Conflicts of Interest**

- 5.1 The directors will take decisions in the best interests of the Company. They will inform the board prior to any discussion on a given subject of possible conflicts between their direct or indirect personal interests and those of the Company or an entity controlled by it. They will refrain from taking part in any deliberation or decision involving such a conflict, unless they relate to current operations, concluded under normal conditions.
- 5.2 Each director shall take care to avoid any direct or indirect conflict of interest with the Company or any subsidiary controlled by the Company and has a duty to inform the board of conflicts of interest when they arise and, except for current operations entered into under normal conditions, and to refrain from deliberating or voting on the issue concerned. Any abstention motivated by a conflict of interest must be indicated in the minutes of the meeting and disclosed in accordance with applicable legal provisions.

## **6 Evaluation of the Performance of the Board**

The board will regularly evaluate its performance and its relationship with the executive management.

In the evaluation of its operation, the board in particular examines its composition, its organisation and its effectiveness as collective body.

It will draw the necessary conclusions from the evaluation and, where necessary, take appropriate steps to improve its performance.

## **7 Executive Committee**

- 7.1 The board has established organisational and operational principles to govern the executive committee, in particular its responsibilities, obligations and powers, and record these in the internal regulations for management. These principles shall be revised, if required, for the effective exercise of the respective powers and obligations of the board and management.
- 7.2 The management structure may be based on a collective delegation of powers to an executive committee and on one or more delegations of power to individual executives.
- 7.3 When establishing and revising the organisational and operational principles governing the executive committee, the board works closely with the executive committee. The board has

approved internal regulations for management, detailing the responsibilities, obligations, composition and operation of management.

- 7.4 The board grants executives, including where relevant, any executive directors, the necessary powers enabling them to fulfil their responsibilities and obligations.

The executive committee

- is entrusted with the day-to-day running of the Company;
- is responsible for preparing complete, timely, reliable and accurate financial reports in accordance with the accounting standards and policies of the Company;
- submits an objective and understandable assessment of the Company's financial situation to the board;
- regularly submits proposals to the board concerning strategy definition;
- participates in the preparation of decisions to be taken by the board;
- supplies the board with all information necessary for the discharge of its obligations in a timely fashion;
- sets up internal controls (systems for the identification, assessment, management and monitoring of financial and other risks), without prejudice to the board's monitoring role in this matter;
- regularly accounts to the board for the discharge of its responsibilities and report on the progress of the Company's business.

## **8 Remuneration Policy**

- 8.1 In order to secure the services of qualified directors and executive managers, the board has determined a suitable remuneration policy that is compatible with the long-term interests of the Company.

The policy specifies the balance sought between the fixed and variable parts of the remuneration and cover the different elements of the remuneration.

- 8.2 The board defines significant, demanding and objective performance criteria respecting the policy fixed by the Company regarding the variable part of that remuneration including bonus and share allocations, share options or any other right to acquire shares. Such criteria shall be in line with the medium and long-term objectives of the Company and take account of its effective and potential development and the individual and collective performances of the executive management. They shall also take into account the appropriate level of risk defined by the board.

- 8.3 The remuneration of non executive directors is proportionate to their responsibilities and the time devoted to their functions and shall be submitted for approval to the annual general meeting of shareholders.

## **9 Appointments and Remuneration Committee**

- 9.1 The board has established from among its members an appointment and remuneration committee, to assist in formulating a remuneration policy for directors and managers and defined the committee's internal regulations. It has been composed exclusively of non executive directors and contains a sufficient number of independent directors.
- 9.2 The appointment and remuneration committee is chaired by an independent director. The board ensures that the appointments and remuneration committee has access to the necessary skills and means to effectively fulfil its role. The appointments and remuneration committee may seek assistance from external experts for the fulfilment of its duties and shall take the advice of the chief executive officer.
- 9.3 The appointments and remuneration committee meets as often as it considers necessary, but at least once a year. After each meeting, its chairman reports to the board.
- 9.4 The appointments and remuneration committee submits proposals to the board regarding the remuneration of executive managers, ensuring that these proposals are in accordance with the remuneration policy adopted by the Company and the evaluation carried out of the performance of the person concerned.
- 9.5 At least once a year, the appointments and remuneration committee discusses with the chief executive officer the performance of executive committee. The evaluation criteria has been clearly defined.

## **10 The Audit Committee**

- 10.1 The board has established rules in the areas of financial reporting, internal control and risk management. It has also established an audit committee to assist in the discharge of its responsibilities in the areas of financial reporting, internal control and risk management and it has defined the committee's internal regulations. The audit committee exclusively comprises non executive directors and a majority of independent directors and it has to be chaired by an independent director.

The audit committee may invite any other person whose cooperation it deems useful to assist it in its work and to attend its meetings. In addition, it is authorised to meet with any

individual outside the presence of any executives. It meets with external auditors at least once a year.

- 10.2 The audit committee shall regularly examine the effectiveness of the financial reporting, internal control and risk management system adopted by the Company. It monitors the conformity of the audit carried out to the audit plan approved by the board or the audit committee.

The audit committee assists the board in monitoring the reliability and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by the Company.

The audit committee reviews and monitors the system of risk control, so that the main risks are correctly identified, managed and disclosed appropriately to the board.

- 10.3 The board ensures that the audit committee has access to the necessary skills and means to fulfil its role effectively, particularly in matters of finance. At least one of the members of the audit committee shall have experience in finance or accounting.

- 10.4 The audit committee meets as often as it deems necessary, but at least four times a year. After each meeting of the audit committee, its chairman shall make a report to the board.

The Company has established independent internal audit processes appropriate to the nature, size and complexity of activities of the Company and its subsidiaries.

- 10.5 The auditors, in addition to maintaining an effective working relationship with management, have free access to the board.

The auditors as well as the compliance officer may at all times approach the chairman of the audit committee or the chairman of the board directly.

- 10.6 The audit committee shall be provided timely information with respect to any issue raised by the audits.

The audit committee shall be kept informed of the internal audit programme and may require periodic summaries of his work. It may make recommendations regarding the internal audits work programme.

The audit committee shall be kept informed of the external auditor's work programme. It may make recommendations regarding the external auditor's work programme.

- 10.7 The audit committee makes recommendations to the board regarding the selection, appointment, reappointment and removal of the external auditor and, in addition, the terms and conditions of their remuneration. It monitors the independence and objectivity of the external auditor, in particular by monitoring the rotation of the partners of the audit firm. It examines the nature and scope of non-audit services provided, with a view to avoiding any conflict of interest.
- 10.8 In addition, the audit committee monitors the effectiveness of the external audit process and checks that the executive committee acts on the letter of recommendations from the external auditor.

The audit committee regularly evaluates the work of the firm of external auditors and considers the term of the mandate of the firm and/or partners responsible for certification of the accounts.

In the event of the resignation of the external auditor, it investigates the issues leading to this and makes recommendations concerning any measures that are needed.