



Ion Beam Applications SA Statement on Corporate Governance

Revised March 31, 2010

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INTRODUCTION

In accordance with the Belgian Corporate Governance Code (hereinafter the “Code,” available in French at http://www.corporategovernancecommittee.be/library/documents/final%20code/CorpGov_FR5.pdf), Ion Beam Applications (hereinafter “IBA”) presents below the philosophy, structure, and general principles of its corporate governance.

IBA is the product of entrepreneurship. In an ever more rapidly changing world, our success has and will continue to depend on our ability to identify the needs of our clients and their patients and to devise well-thought-out solutions to these needs better and faster than our competitors.

In a high tech industry such as ours, it is especially important for all employees and partner companies to share this vision and to have the means to pursue it passionately in accordance with our core values: Care – Dare – Share – Be Fair.

We recognize the importance of independent control and validation of all aspects our administrative professionalism. At the same time, we know that it is essential to be able to exercise corporate governance without creating excess bureaucracy or an atmosphere of suspicion. In this way, IBA can maintain its entrepreneurial and expert capacity to respond quickly to the needs of its customers.

Like any company, IBA has a history. It is our ambition to satisfy our customers, our shareholders, our employees, and the communities in which we do business. This history and this four-part goal have determined certain aspects of our governance structure. We believe that this governance structure must be clear and transparently presented throughout, so that our shareholders can decide whether we are a good investment with a full knowledge of the facts. This Statement on Corporate Governance covers the following topics:

- * Part I. Structure and organization
- * Part II. Shares and shareholders
- * Part III. Board of Directors
- * Part IV. Committees of the Board of Directors
- * Part V. Administration and day-to-day management



* Part VI. Audit

* Part VII. Charter of ethics

The Statement on Corporate Governance is supplemented by governance-related information presented in IBA's annual report in the section entitled Corporate Governance, Management, and Control. These publications are available on the IBA website, at www.iba-group.com. The Board of Directors of IBA approved the revised Statement on Governance Charter at its meeting of April 1, 2010. However, this document is meant to evolve constantly and dynamically. The Board will therefore update it on a regular basis and will explain any significant amendments to the shareholders at the annual general meetings.

1. STRUCTURE AND ORGANIZATION

1.1. Legal structure – Corporate purpose and registered offices

LBA is a listed corporation pursuant to Article 4 of the Belgian Code of Company Law and a company that has issued equity to the public pursuant to Article 438 of the Code. Its registered offices are located at Chemin du Cyclotron 3, 1348 Louvain-la-Neuve, Belgium, and its company VAT number is BE 0428.750.985. It is registered in the Nivelles corporate trade register.

The purpose of the Company is to engage in research and development and to acquire intellectual property rights with a view to the exploitation, fabrication, and marketing of applications and equipment in the field of applied physics. It may engage in any and all securities, real-estate, financial, commercial, and industrial operations that are directly or indirectly related to its corporate purpose.

It may acquire an interest, by contribution, merger, purchase of shares, or any other means, in companies, partnerships, or corporations whose purpose is similar, analogous, related, or useful to the achievement of its corporate purpose in whole or in part. The Company was incorporated for an indefinite period on March 28, 1986. It may be dissolved at any time by decision of the general shareholders' meeting, according to the conditions and procedure specified for amending its articles of incorporation.



1.2. Structure

IBA is divided into two segments for reporting purposes:

Pharmaceuticals. This segment encompasses radiopharmaceutical tracers (production and distribution) and bioassay operations.

Technology and Equipment. This segment constitutes the technological foundation of several of the Company's businesses. It includes development, fabrication, marketing, and services associated with dosimetry and with particle accelerators for both medical and industrial use.

2. SHARES AND SHAREHOLDERS

2.1. Capital and shares

At December 31, 2009, the capital stock was fixed at thirty-seven million five hundred four thousand five hundred three euros and twelve cents (€37,504,503.12).

It consisted of twenty-six million seven hundred nineteen thousand one hundred fifty-five (26,719,155) shares with no par value, including eleven thousand nine hundred eighty-four thousand five hundred sixty-five (11,984,565) shares with VVPR strips, each representing one-twenty-six million seven hundred nineteen thousand one hundred fifty-fifth (1/26,719,155) of the capital stock.

In accordance with the shareholders' decision at the special meeting of May 14, 2008, the Board of Directors is authorized to issue one or more secondary equity offerings up to a maximum of twenty-five million euros (€25,000,000).

Within the limits of this authorization, the Board of Directors may issue bonds convertible into stock or subscription rights, pursuant to Articles 489 et seq., 496 et seq., and 583 of the Belgian Code of Company Law.

When secondary equity is issued at a premium, share premiums must be recorded in an unavailable reserves account. Similarly, when subscription rights are issued, the issue price must be recorded in an unavailable reserves account.



At the time of any stock, convertible bond, or subscription rights issue, the Board of Directors may limit or eliminate the preemptive right of the shareholders, including one or more specific shareholders, in accordance with conditions to be decided by the Board, and, if applicable, subject to compliance with the provisions of Article 598 of the Belgian Code of Company Law.

This authorization is valid for five years as from the date of the publication of the shareholders' decision at the special meeting of May 14, 2008; in other words, as from June 17, 2008.

The Board of Directors is expressly authorized to use the authorized capital, in the conditions set out in Article 607 of the Belgian Code of Company Law, if an offer is made after receipt of notice from Belgium's Banking, Financial and Insurance Commission that it has been informed of a takeover offer for the company, provided that such receipt occurs within three years of the special shareholders' meeting of May 14, 2008.

The capital stock may be increased at once or in increments by decision of the general meeting deliberating in the conditions required to amend the articles of incorporation. Unless determined by the general meeting, the Board of Directors establishes the terms of all secondary equity offerings.

New stock to be subscribed in cash is offered to shareholders on a preferential basis in proportion to the percentage of their holdings in the Company. Unless determined by the general meeting, the Board of Directors establishes the period and terms for the exercise of preemptive rights.

The above notwithstanding, if it is in the Company's interest, the shareholders may vote to limit or eliminate the preemptive right, subject to the conditions provided by law. The Board of Directors may enter into third-party agreements designed to ensure the subscription of all or part of an issue, in which case it will provide notice of the terms and conditions of the agreement.

Shares remain registered until fully paid. Fully paid shares and other securities issued by the Company may be registered or paperless, at the shareholder's option.

Any shareholder may ask to have his securities converted to one or the other of the above forms at any time, at the shareholder's expense. As of March 17, 2009, the Company no longer recognizes bearer instruments.



Under Article 620, paragraphs 1, subparagraphs 3 and 4, and Article 622, paragraph 2, subparagraph 2(2), of the Belgian Code of Company Law, for the purpose of avoiding serious and imminent harm to the Company, the Board of Directors is authorized to buy, exchange, and/or sell treasury shares of the Company on the stock market or in any other way for a period of three years commencing on the date of publication in the appendices to the Moniteur Belge of the shareholders' decision at the special meeting of May 14, 2008, without further decision by the shareholders and within the limits stipulated by law.

Under Article 620, paragraph 1, subparagraphs 1(1) and 5, and Article 622, paragraph 2, subparagraph 2(1), of the Belgian Code of Company Law, the Board of Directors is authorized, without further decision by the shareholders:

To acquire up to 10 percent (10%) of the Company's outstanding stock at a minimum share price of not less than ten cents (€0.10) and a maximum price of not more than ten percent (10%) above the average of the closing market price for the last ten days, for a period of 18 months commencing on the date of the publication in the appendices to the Moniteur Belge of the shareholders' decision at the special meeting of May 14, 2008; and

To alienate treasury shares acquired pursuant to Article 9 of the instant Articles of Incorporation after they are listed on the premier marché of a stock market located in a European Union member state or other regulated exchange within the meaning of Article 4 of the instant Articles of Incorporation.

The Company may issue mortgage or other bonds by decision of the Board of Directors. The Board of Directors determines the bond type as well as the interest rate, manner and time of redemption, and any other terms of the bond issue.

2.2 General meetings of the shareholders

To ensure rapid communication, IBA uses its website to post all information of interest to the stakeholders, including the agenda for the general shareholders' meeting and the mid-year and annual financial results, always as compared to the last two accounting periods. The concept of stakeholders includes only IBA's shareholders, but also its customers, employees, and the communities in which it does business.



IBA encourages its shareholders to exercise their voting rights and to attend general meetings of the shareholders whenever this is desirable and feasible. The chief financial officer (tel. +32 10 47 58 90/email info@iba-group.com) is responsible for shareholder communications. A duly convened general shareholders' meeting represents all of the shareholders and has the powers vested in it by law and by the articles of incorporation. Ordinary and special shareholders' meetings may be held at the registered offices or at any other location in Belgium indicated in the meeting notice. Shareholders may be asked to vote on subjects including but not limited to the following at the general meeting:

- (i) Appointments of directors and auditors;
- (ii) Release of directors or auditors from liability for the year just ended;
- (iii) Approval of the Company's annual financial statements and annual dividend, if any;
- (iv) Any increases or decreases in IBA's capital as well as authorizations for the Board of Directors to issue stock up to the amount of the authorized capital.

The annual general meeting is held at 10 a.m. on the second Wednesday in May at the location specified by IBA. If the second Wednesday is a legal holiday, the meeting is held at 10 a.m. of the next business day.

Ordinary and special meetings of the shareholders are convened by the Board of Directors or the auditor.

Special shareholders' meetings are called as required by the Company's interests. They must be called whenever one or more shareholders representing one-tenth of the capital stock so request. IBA intends to maintain this threshold and will not implement the five percent threshold recommended in the Code.

Meeting notices must contain the agenda. Registered shareholders will be notified by postal letter at least two weeks prior to the meeting date. When agendas include the election of directors, the company will distribute meeting notices at least 24 days prior to the meeting and will make biographies of new candidates available to its stakeholders on the IBA website.

To attend a general shareholders' meeting, owners of paperless shares must obtain a certificate from the settlement organization or licensed account-holding institution stating that these shares are blocked until the date of the general meeting and must file this certificate with the bank ING Belgium not later



than five business days prior to the date of the meeting. Owners of registered shares have the same time-period to inform the Board of Directors in writing of their intention to attend the meeting and the number of shares they intend to vote.

Any shareholder may vote by mail by sending the Company a form showing the agenda of the general meeting and, for each item on the agenda, how the shareholder intends to vote (yes/no/abstain).

For the purposes of general meetings, shareholders may also vote by proxy executed in writing or by telegram, fax, or telex, provided that the proxy holder is also a shareholder. However, legal entities may vote by nonshareholder proxy.

The general meeting is chaired by the Chairman of the Board of Directors or in his absence, by the Vice Chairman. Otherwise, it is chaired by the oldest director. The Chairman designates the secretary, and the shareholders designate two vote tellers. The minutes and extracts of the minutes for submission in a court of law or elsewhere must be signed either by the Chairman or by two directors.

The Chairman ensures that the shareholders receive answers to relevant questions. The Directors answer the shareholders' questions regarding the annual report or any other item on the agenda.

Each share entitles its holder to one vote. However, at general meetings, related party shareholders may not vote a number of votes aggregating more than thirty-five percent (35%) of the voting rights of all of the Company's voting stock. If unrelated parties holding at least fifteen percent (15%) of the Company's voting stock are participating in a general meeting, related party shareholders may not vote a number of votes aggregating more than fifty percent (50%) less one vote of the votes cast during the meeting. For the purposes of the preceding paragraphs, the following are considered related parties of a shareholder:

- (i) Any company or person associated with the shareholder within the meaning of Article 11 of the Belgian Code of Company Law;
- (ii) Any individual or legal entity belonging to an administrative body of the shareholder or of a company referred to in the preceding subparagraph;
- (iii) Any outside party acting in its own name on behalf of the shareholder or of any of the persons or entities referred to in the preceding subparagraphs;



(iv) Shareholders that have appointed the shareholder or a person or entity referred in the preceding subparagraphs as proxy holders for this general meeting.

Except when other quorum or majority requirements are imposed by law, the general meeting is considered duly constituted and its proceedings valid regardless of the number of shares represented, and decisions are taken by simple majority, without counting abstentions. However, amendments to articles 11, 13, final paragraph, and 25 of the articles of incorporation may be adopted only if fifty percent (50%) of the capital stock is represented at the meeting and the proposed amendments are approved by at least eighty-five percent (85%) of the votes cast.

2.3 Dividends

The fiscal year begins on January 1 and ends on December 31. Net profit is considered to be the income statement surplus less depreciation, impairment, and contingency and loss provisions. Five percent of this profit is immediately deducted for the legal reserve. This deduction is no longer mandatory once the reserve fund reaches one-tenth of the capital stock. It is reinstated if the fund falls below this level.

The balance of the profit is put before the general meeting of the shareholders, who, on the recommendation of the Board of Directors, may decide by simple majority vote to assign all or part of it to a dividend, the reserve fund, or unappropriated earnings. The Board of Directors is authorized to distribute an interim dividend, deducted from the year's results, in the conditions set out in Article 618 of the Belgian Code of Company Law.

3. BOARD OF DIRECTORS

3.1. Role and responsibilities

The Board of Directors has the authority to take all actions necessary or useful for the achievement of the corporate purpose other than those reserved by law or the articles of incorporation for the general meeting of the shareholders. The Board of Director's foremost responsibility is to validate IBA's strategic management and monitor its business practices in order to ensure the longevity and



success of IBA's operations. The Board of Directors also defends the interests of the Company and its stakeholders.

For these purposes, the Board of Directors retains exclusive authority in certain key areas and has delegated the rest of its powers to its managing directors, managers, or employees. It has not chosen to appoint an executive board as defined by law.

The key areas in which the Board of Directors retains sole responsibility are as follows:

- (i) All measures required to ensure the completeness and timely publication of the annual financial statements and any other essential financial or nonfinancial information provided to current or potential shareholders.
- (ii) Preparation for the approval of the following: IBA's corporate and consolidated annual financial statements, the adoption of accounting standards, or the convening of general shareholders' meetings.
- (iii) Approval of IBA's strategy and the values, policies, and standards on which the attainment of its strategic objectives is predicated. For this purpose, the Board of Directors holds an annual meeting during which, on the basis of recommendations made by the chief executive officer, it evaluates IBA's strategies and competitive positions, studies new strategic recommendations, and validates the strategies for whose development and implementation the chief executive officer is responsible.
- (iv) Approval of IBA's financial objectives and long-term plans.
- (v) Monitoring and evaluation of IBA's performance with respect to strategic objectives and budgets.
- (vi) Interaction and dialogue with management in an atmosphere of mutual respect and trust. Monitoring and evaluation of management performance.
- (vii) Delegation of authority for day-to-day management and to the Board committees;



- (viii) Decisions on matters for which it is solely responsible, including decisions on proposals to be put before the general meeting of shareholders and decisions concerning IBA's governance, such as the appointment of the Chairman and the Vice Chairman of the Board of Directors and the composition and responsibilities of the Board committees.
- (ix) Approval of management's risk management and control procedures, oversight of their implementation taking into account the Audit Committee's evaluation, and delineation of their principal characteristics.
- (x) Monitoring and evaluation of the auditor's performance and supervision of internal auditing, taking into account the Audit Committee's evaluation.
- (xi) Appointment of the Chairman, the managing directors, and the secretary and approval of the scope of the powers delegated to the managing directors.
- (xii) Supervision of the managing directors and, when required by law, approval of their decisions.
- (xiii) Establishment of the Board committees, determination of their purpose, composition, and compensation, and monitoring and evaluation of their performance.
- (xiv) Approval of major acquisitions, divestments, joint ventures, and investments.
- (xv) Any measures required to ensure effective and efficient enforcement of Belgium's rules on insider trading.
- (xvi) Establishment of internal corporate governance rules and compliance rules.
- (xvii) Approval of employee stock option plans and stock award programs.

The Board of Directors has the authority and the obligation to assign itself sufficient human, leadership, and financial resources for the exercise of its functions. It assumes collegiate responsibility vis-à-vis the Company for the proper exercise of this authority and these powers.



Provided that they notify the Chairman of the Board in advance, the directors may consult individually with independent professional consultants, at the Company's reasonable expense, whenever they deem this necessary for the exercise of their responsibilities as directors.

3.2. Composition of the Board

3.2.1. Number of directors

The company is governed by a Board of Directors comprised of not more than three nor less than twelve members elected by the shareholders at the general meeting for renewable terms of up to six years.

3.2.2 Eligibility requirements for all directors

When proposing candidates to the shareholders, IBA's Board of Directors applies the following principles:

- The balances stipulated in the articles of incorporation must be maintained. Specifically, at least one third of the members of the Board of Directors must be outside directors and one third, directors elected on the recommendation of the director or directors responsible for the day-to-day management ("inside directors"). Currently, the Board has four outside directors: P. Vermeeren; J. Stéphanne (representing Innosté SA as its managing director), P. Scalliet (representing PSL Management Consulting SCS as its manager), and J.J. Verdict (representing J.J. Verdict SPRL as its manager); three inside directors: P. Mottet, Y. Jongen, and E. de Lamotte (representing Bayrime SA as its managing director); and two "other" directors: O. Ralet (representing Oliver Ralet BDM SPRL) and N. Destexhe, (representing Institut National des Radioéléments (IRE)).
- Directors are recommended on the basis of their knowledge and/or personal experience in order for the Board to have the competencies and qualifications that it needs for its work.
- Directors must have the availability necessary for their duties as directors.

There is no age limit for directors. In practice, however, no director is older than 75.



3.2.3 Election of inside directors

Inside directors are nominated by the managing directors responsible for day-to-day management, who inform the Board of the candidates for inside director to be submitted to shareholder vote at the general meeting.

3.2.4. Election of outside directors

Outside, or independent, directors are directors chosen for their experience, understanding, and legal personality who meet the requirements imposed by Article 526 *ter* of the Belgian Code of Company Law (see Appendix 2).

Outside director nominations are submitted by the Nominating Committee.

3.2.5. Election of “other” directors

“Other” directors are freely elected by the shareholders at the general meeting, on the understanding, however, that no more than two of these directors may be related, directly or indirectly, to the same shareholder or to a company or person related to this shareholder. Some “other” directors may also meet all or most of the independence criteria.

In addition, under no circumstances may more than one-third of the members of the Board of Directors be directly or indirectly associated with a shareholder or with a company or person associated with this shareholder (within the meaning of Article 11 of the Belgian Code of Company Law) in either of the following cases:

- (i) The shareholder is directly or indirectly active in one or more business sectors in which the Company or one of its subsidiaries is also active; or
- (ii) The shareholder holds more than forty percent (40%) of the Company’s voting stock.

A director, whether acting as an individual or as the representative of a legal entity, is considered directly or indirectly associated with a shareholder in the following circumstances:

- (i) The shareholder has belonged to a managing, governing, or employee body of the shareholder or associated company in the five years prior to appointment;



(ii) The shareholder has a business, shareholder, or familial relationship with the shareholder or a company or person associated with the shareholder pursuant to (i) above that could potentially influence the shareholder's actions as a director; or

(iii) The shareholder has been nominated by such shareholder.

Nominations of "other" directors are also submitted by the Nominating Committee formed within the Board of Directors.

3.2.6 General rules for the election of directors

All director nominations submitted to shareholder vote at the general meeting must indicate if the nomination is for the office of outside director, inside director, or "other" director.

The impact of the resignation, dismissal, or expiration of the term of office of directors is postponed for as long as necessary if it would upset the balances described above. Any director who resigns, is dismissed, or comes to the end of his or her term of office will continue on as a director until such time as these balances can be reestablished. The Board of Directors may fill director vacancies temporarily, provided that it complies with the aforementioned balances and nominating procedures.

The Board of Directors provides the shareholders with the names of the candidates that it or, in the case of outside and "other" directors, the Nominating Committee has nominated for election or reelection.

Directors may sit on the boards of directors of other companies and take on other commitments, provided that such commitments do not create conflict of interest and do not impede a director's ability to carry out his or her duties as a member of the Board of Directors of IBA.

Directors are elected by majority vote of the shareholders at the general meeting. Similarly, they may be dismissed before the expiration of their terms by majority vote of the shareholders at the general meeting.

The Board of Directors manages the election and reelection process according to a comprehensive, methodical succession plan designed to maintain an optimum level of competencies and experience within the Company and its Board of Directors.

3.3. Chairman



The Board of Directors chooses a Chairman from among its members. It may also choose a Vice Chairman. Except by unanimous decision of the Board, neither the Chairman nor the Vice Chairman may be associated with a shareholder who:

- (i) is directly or indirectly active in one or more business sectors in which the company or one of its subsidiaries is also active; or
- (ii) holds more than forty per cent (40%) of the Company's voting stock.

The Chairman is chosen on the basis of his or her knowledge, competencies, experience, and ability as a consensus-builder.

In the absence of the Chairman, the Chairman's duties are assumed by the Vice Chairman. Otherwise, they are assumed by the oldest director.

It is incumbent on the Chairman to take the lead in all efforts to ensure the proper functioning of the Board of Directors, with the assistance of the Board of Directors' committees if required. The responsibilities of the Chairman include the following:

- (i) Monitors the adequacy of IBA's governance with respect to its requirements.
- (ii) Sees to the optimum composition of the Board of Directors.
- (iii) With the support of the Nominating Committee, initiates and conducts the processes for determining the independence criteria and competency and qualification requirements of IBA directors; for electing or reelecting members of the Board of Directors and its committees; and for evaluating the effectiveness of the Board of Directors as a whole.
- (iv) Ensures the quality and effectiveness of the work of the Board of Directors by:
 - (a) seeing that the roles and responsibilities of each IBA body are clearly and universally understood and respected.
 - (b) scheduling the meetings of the Board of Directors and making sure that the members attend them.



(c) preparing the Board's generic agenda with the topics to be discussed during the year and preparing an agenda for each meeting indicating, for each item, if it is before the Board of Directors for information, discussion, approval, or decision.

(d) preparing, chairing, and leading the meetings of the Board of Directors. The Chairman is consulted on any proposal to be submitted to the Board of Directors. He or she has written documents distributed early enough for all of the recipients to study them. The Chairman also ensures that all of the documents submitted to the members of the Board of Director are relevant and concise. The Chairman makes sure that items requiring a decision receive priority and that time is managed effectively with a time allocated per item.

(e) supervising and ensuring the quality of continuing interactions and dialogue within the Board of Directors. The Chairman ensures that the Board of Directors is always kept up to date on key aspects of IBA's strategy, activities, and financial position, including competitive developments. He or she makes every effort to promote the establishment and development of an atmosphere of respect, trust, and openness among members of the Board in general and between the nonexecutive and executive directors in particular. The Chairman ensures that the directors' comments are short and to the point.

(f) ensuring that new directors receive training tailored to their individual needs and that individual training needs are identified and appropriately met.

(v) Chairs the general meetings of the shareholders and ensures that they run smoothly.

3.4. Term of office

Under the articles of incorporation, the maximum term of office is 6 years. However, at the present time, terms of office usually range from one year for new directors to three years for directors reelected after their first term. There is no limit on the reelection of directors, including outside directors.

3.5. Compensation

Directors other than managing directors are paid an the amount determined by the Board and reviewed regularly in the light of customary practice. At December 31, 2008, director compensation



consisted of an annual lump sum payment of €6,000 and a fee of €1,000 per Board or Board committee meeting or any other Company meeting to which the member was invited and attended. The Chairman of the Board of is paid a lump sum of €2,000 per Board meeting attended. The Chairman of the Audit Committee of is paid a lump sum of €1,500 per Audit Committee meeting attended. Directors other than the Chairman of the Board and the chairman of the Audit Committee also receive options.

Direct or indirect compensation paid to the managing directors is determined as a package by their role on the Board of Directors and by their direct or indirect role in the Company. This compensation package is consistent with market practices for similar responsibilities and roles. The total fixed and variable compensation of the managing directors is determined by the Compensation Committee in accordance with principles approved by the Board.

The total amount paid by IBA in compensation to all members of its Board of Directors is published in its annual report.

3.6. Performance evaluation

The Board of Directors regularly reviews and evaluates its own size, composition, and performance, as well as the effectiveness of IBA's governance structure, including the number, roles, and responsibilities of the committees of the Board of Directors.

The performance of individual directors normally is not assessed, except in the context of the reelection process. However, the performance of managing directors is evaluated annually against specific objectives defined at the beginning of the year. This evaluation takes place in their absence, but without calling a special meeting of the Board solely for this purpose.

3.7. Meetings – Convening and conduct

The Board of Directors meets at the request of at least two directors as dictated by the Company's interests, but with sufficient regularity to achieve its missions efficiently. It is convened by the Chairman. The Board of Directors meets at least four times a year.

Summary schedule of meetings of the Board of Directors:

March

- Performance evaluations, Compensation Committee report
- Approval of annual financial statements and associated press release



April

- Formal approval of corporate and consolidated financial statements
- Establishment of the agenda for the general meeting of the shareholders
- Evaluation of Board performance
- Approval of candidates for director prior to the annual general meeting
- Corporate governance report

May

- Investment tracking
- Risk analysis

August

- Approval of mid-year financial statements
- Launch of stock option plans

October

- Analysis of research and development accomplishments and performance

December

- Approval of next year's strategic plan and budgets
- Establishment of next year's objectives

Reports are generally presented to the Board by the chief executive officer or his assistants, at the chief executive officer's discretion.

It is essential that members attend the meetings. However, the Board considers it neither relevant nor useful to its shareholders to follow the Code's recommendation of indicating how many meetings each member attended in its annual report.

The Board of Directors may take decisions only if the majority of its members are present or represented. Decisions are by majority vote. In the event of a tie, the Chairman's vote is decisive.

Directors may participate in Board meetings by conference call or by any other technical means allowing effective discussion among its members. In exceptional cases, when duly justified by



urgency and the interests of the Company, Board decisions may be taken by unanimous written consent of the directors.

Any director may give proxy, executed in writing or by electronic mail, telegram, or facsimile, to another director to represent him or her and to vote on his or her behalf at a specific meeting. When a legal entity is chosen as a director, it designates an individual to represent it, pursuant to Article 61 of the Belgian Code of Company Law.

Without prejudice to the more restrictive provisions of the Code of Company Law, directors may not participate in Board discussions concerning decisions or transactions in which a related party shareholder has a direct or indirect interest or that might confer a direct or indirect pecuniary benefit on this shareholder.

3.8. Company secretary

The Board of Directors designates a Company secretary to assist and advise the Board of Directors, the Chairman of the Board of Directors, the chairpersons of the committees of the Board of Directors, and all of the directors in connection with the exercise of their roles and duties. The secretary's primary responsibilities are (i) to ensure that the above IBA bodies are in compliance with the law, the articles of incorporation, and the internal rules and regulations; (ii) to advise the Board in the area of corporate governance; (iii) to report to the Board on the compliance mentioned in (i) if so requested; (iv) to organize general meetings of the shareholders, and (v) to act as secretary to IBA's Board of Directors and, at the request of their chairpersons, its committees. The Company secretary is accountable to the Board of Directors and reports to it through the managing directors and the Chairman.

3.9. Rules of conduct

Every IBA director must abide by the principles of integrity and ethics that also apply to IBA's management and employees, including the rules against insider trading.

Directors are expected to maintain independence of mind, decision, and action under all circumstances. They are expected to state their concerns clearly and to go on record as opposed if they believe that a proposal brought before the Board is not in IBA's interests.



Directors must avoid any action, position, or interest that conflicts with the interest of IBA or gives the appearance of a conflict. They must inform the Chairman immediately of any possibility of conflict of interest. In compliance with current law, they may not participate in any Board discussion or decision affecting their personal, commercial, or professional interests.

In compliance with current law and in order to facilitate open discussion in Board and Board committee meetings, the directors must agree to uphold the confidentiality of information and meetings. Information received may be used only for the purposes of their office. Naturally, this provision does not prevent a director from reporting back to the shareholder company that he or she represents.

4. COMMITTEES OF THE BOARD OF DIRECTORS

4.1. General rules for all Board committees

4.1.1. Role and responsibilities

In order to exercise its role and responsibilities effectively, the Board of Directors has established several committees: the Nominating Committee, the Compensation Committee, and the Audit Committee. The existence of these committees does not affect the Board's authority to establish other ad hoc committees to deal with specific problems as necessary.

The Board committees perform an advisory function. They assist the Board in specific areas by going into these areas in as great detail as necessary and making recommendations to the Board.

In derogation from the Code, they may also exercise decision-making authority by delegation of the Board. However, this authority is strictly limited to the terms of the delegation.

The Board of Directors determines the role and responsibilities of each committee.

Each committee has the authority and the duty to assign itself sufficient resources for its purposes, including the authority and duty to select, engage, or dismiss outside consultants. They are accountable to the Board of Directors for the proper use of these powers.

After each meeting, the committees submit a report to the Board with their conclusions and recommendations.



4.1.2. Composition

The committees are generally comprised of three directors.

The Board of Directors appoints the chairperson and members of each committee. As a rule, it reviews the composition of all Board committees regularly. It may also review the composition at the expiration of a director's term, even if the director has been nominated for reelection.

Committee members are chosen on the basis of (i) their specific competencies and experience in addition the general competencies required of IBA directors and (ii) the collective competencies and experience required for each Committee to accomplish its mission.

Currently, the Chairman of the Board of Directors is a member of and chairs the Nominating Committee and the Compensation Committee. While the Chairman of the Board of Directors is not a member of the Audit Committee, he has a standing invitation to attend its meetings.

The chief executive officer has a standing invitation to attend meetings of committees of which he is not a member, except when the Compensation Committee meets to decide on his compensation.

Each Committee evaluates its own performance and effectiveness at least once a year and reports on its evaluation to the Board of Directors. As a part of this process, it also reviews required areas of competency, possible gaps, and actions to be taken.

4.1.3. Chairpersons

It is the responsibility of the chairperson of each Board committee, with the support of the Chairman of the Board of Directors and, where indicated, the chief executive officer, to ensure that the committee (i) understands its role and its responsibilities, (ii) has the information and internal and external support necessary for its work and (iii) exercises its duties in accordance with these general rules and with the specific rules of the committee.

4.1.4. Meetings

The rules governing meetings of the Board of Directors also apply to the meetings of its committees, subject to the following reservations:

- Any committee member may authorize another committee member to represent him or her by means of a signed proxy statement sent by mail or by fax. No committee member may hold more than one proxy.



- Committee decisions are taken by simple majority vote.
- Minutes are prepared for each committee meeting.

4.2. Rules of the Nominating Committee (NC) Role and responsibilities

As provided in the articles of incorporation, a nominating committee has been formed within the Board of Directors.

Responsibilities of the Nominating Committee:

- (i) Regularly reviews the competency and qualification standards and requirements for the selection and appointment of directors, as well as the independence criteria for outside directors, and recommends changes to the Board of Directors as appropriate.
- (ii) Initiates and conducts the process of electing or reelecting non-inside directors, i.e. outside directors and “other” directors, by making a recommendation to the Board of Directors, which then approves the candidates for election or reelection to be submitted to shareholder vote at the general meeting.
- (iii) Manages the chairman reelection and succession process following a procedure that it has determined in consultation with the Chairman.
- (iv) Establishes the CEO succession plan.
- (v) Assists IBA's Board of Directors in all matters pertaining to the Company's governance on which the Board or its Chairman wishes the Committee's opinion.
- (vi) Assists the Board of Directors in the director and Board performance evaluation process.

4.2.2. Composition

In accordance with the articles of incorporation, this Committee is composed of five members, including the Chairman of the Board of Directors and a minimum of two outside directors.

The Nominating Committee is chaired by the Chairman of the Board of Directors. Its members are appointed by the Board of Directors on the recommendation of the Chairman, made after such consultation as he deems useful.

4.2.3. Meetings

The Nominating Committee meets whenever necessary, either at the request of the Chairman or at the request of a member of the Nominating Committee or the chief executive officer after



consultation with the Chairman. The Nominating Committee meets at least twice a year. The general rules applicable to all IBA Board of Director committees, as indicated above, apply in full to the Nominating Committee.

Summary schedule of Nominating Committee meetings:

August Analysis of next year's expected vacancies and associated plan of action

February Formulation of candidate recommendations

Director and Board performance evaluation process

4.3. Rules of the Compensation Committee (CC)

4.3.1. Role and responsibilities

A compensation committee within the Board of Directors is in charge of directors' compensation.

Responsibilities of the Compensation Committee:

- (i) Determines the following: (i) the chief executive officer's objectives; (ii) the variable compensation paid directly or indirectly to the managing directors, on the basis of principles approved by the Board; and (iii) the distribution of stock option plans among recipients, on the basis of the number of stock options approved by the Board within authorized capital.
- (ii) Makes recommendations to the Board regarding compensation of the other directors, as well as definition of a compensation policy for the managing directors.
- (iii) Is knowledgeable of the basic compensation policy adopted by the managing director and chief executive officer for management staff.
- (iv) In general, ensures that compensation is in line with market practices, as determined by studies performed by specialized firms.
- (v) Assists IBA's Board of Directors in all matters pertaining to the Group's governance on which the Board or its Chairman wishes the Committee's opinion.



4.3.2. Composition

The Compensation Committee is comprised of three members, with a minimum of two outside directors and no managing directors.

The Compensation Committee is chaired by the Chairman of the Board of Directors. Its members are appointed by the Board of Directors on the recommendation of the Chairman, made after such consultation as he deems useful. The chief executive officer has a standing invitation to its meetings, except during proceedings on agenda items involving managing director compensation.

4.3.3. Meetings

The Compensation Committee meets whenever necessary, either at the request of the Chairman or at the request of a member of the Committee or the chief executive officer after consultation with the Chairman. The Compensation Committee meets at least three times a year.

The general rules applicable to all IBA Board of Director committees, as indicated above, apply in full to the Compensation Committee.

Summary schedule of Compensation Committee meetings:

February

- Evaluation of last year's performances

August

- Preparation of any stock option plans
- Review of succession plans

December

- Next year's incentive plans

4.4. Rules of the Audit Committee (AC)

4.4.1. Role and responsibilities

The Audit Committee is a part of the Board of Directors. Its responsibilities are as follows:

- (i) Assists the Board in supervising the preparation of financial information.



- (a) Audits the Company's assets, working capital, and cash flow each quarter.
- (b) Ensures the following: (a) timely and appropriate reporting of the Company's assets; (b) cautious use of these assets consistent with the strategic objectives approved by the Board; and (c) management's establishment of rules of conduct and appropriate systems to protect all of the Company's assets.
- (c) Analyzes the main accounting and information/communications issues and their impact on financial position.
- (d) Analyzes periodic and annual reports and financial statements; evaluates them for completeness and consistency with information in the possession of Committee members, and ensures that they are based on appropriate accounting principles.
- (e) Audits the rest of the annual report as well as statutory disclosures prior to publication and evaluates them for accuracy and completeness.
- (f) Ensures that management has instituted appropriate rules and systems for the financial reporting process, the system of internal control over financial reporting, and the audit process.
- (ii) Ensures monitoring of the effectiveness of the Company's internal audit and risk management systems.
- (iii) Assists the Board in auditing the annual and consolidated financial statements. This includes following up on the questions and recommendations of the internal auditor as well as, if applicable, those of the external auditor selected to audit the consolidated financial statements. In this connection, it ensures that the Board of Directors receives adequate and accurate information on a regular and timely basis that will allow it to understand the Company's operational and financial position and the principle problems facing it. It should be stressed, however, that the Audit Committee does not assume the responsibilities or take the place of the financial managers or the external auditors, who have more time, knowledge, and detailed information about the Company available to them than the Committee's members.



(iv) Assists the Board in monitoring the internal audit process and its efficacy. With respect to this mission, the Company's considers that is not big enough to require a specific internal audit function.

(v) Assists the Board in overseeing compliance with laws and regulations and with the Company's rules and/or code of conduct, as follows:

(a) Analyzes the audit reports of regulatory entities as well as all of the auditor's comments.

(b) Provides oversight of the procedures for handling complaints and anonymous reports of dubious accounting or auditing practices.

(c) Verifies the efficacy of the system for monitoring compliance with laws and regulations as well as the results of investigations carried out by management and makes sure that any instances of noncompliance are corrected.

(d) Obtains regular reports on compliance issues from the Company's management and its legal adviser.

(e) Ensures oversight of the procedures for informing the Company's employees of its internal rules of conduct (code of conduct), as well as for enforcing them.

(f) Makes sure that management has appropriate rules and systems in place to protect the company's reputation and integrity and preserve the quality its supplier, customer, employee, and shareholder relationships.

(vi) Audits and monitors the independence of the auditor and, if applicable, the external auditor selected to audit the consolidated financial statements, especially as regards the provision of additional services to the Company.

The Audit Committee reports regularly to the Board of Directors on its activities, at least while the Board is preparing the annual and mid-year financial statements.

The Committee shall have access to any information regarding the Company that it deems necessary to its mission. The Committee has the authority to conduct or authorize investigations into any matter within the scope of its responsibilities. The Committee is authorized to engage a



consultant, accountants, or other outside persons to advise it or assist it with an investigation as long as it exercises this authority in a reasonable manner.

4.4.2. Composition

The Audit Committee consists of not less than three nor more than six members of the Board of Directors. Members are appointed by the Board on the basis of the Audit Committee's recommendation, which is provided to the works council for information. In accordance with Article 526 *bis* of the Belgian Code of Company Law, it is comprised of nonexecutive members of the Board who are competent in accounting and auditing.

Audit Committee members are elected for a three-year renewable term. The Board may remove Committee members at any time by favorable vote of the outside director(s).

4.4.3. Meetings

The Audit Committee meets as necessary, but at least four times a year.

All Committee members are required to attend all meetings, either in person or by tele- or videoconference.

The chief executive officer and the Chairman have standing invitations to meetings of the Audit Committee. The Committee may ask the chief operating officer, chief financial officer, or other members of the Company's management or subsidiaries to attend Committee meetings as nonvoting participants if necessary or desirable, or it may invite them to provide relevant information as appropriate. The Committee shall meet at least once a year with the auditor in a meeting from which the Company's managing directors and managers are excluded.

Meeting agendas will be prepared and submitted to the members by the Chairman in advance, as will the appropriate briefing materials. At the end of each meeting, the Committee will prepare minutes, accompanied by succinct comments, on which it will report at the next Board meeting.

The general rules applicable to all IBA Board of Director committees, as indicated above, apply in full to the Audit Committee.

Summary schedule of Audit Committee meetings:

February

- Approval of annual financial statements and associated press release



- Auditors' report on the year-end audit
- Approval of the auditor's audit and nonaudit fees

May

- Discussion of the auditor's management letter with the auditor
- Identifications of relevant actions to be taken on this basis
- Analysis of the Company's risk management
- Risk tracking and management

August

- Analysis of mid-year financial statements

December

- Examination of draft budget
- Investment tracking

5. ADMINISTRATION AND DAY-TO-DAY MANAGEMENT

5.1. Role and responsibilities of management

Responsibilities of management:

- (i) Manages and develops the Company in compliance with (a) the values, strategies, policies, plans, and budgets approved by the Board of Directors and (b) all laws and regulations in force.
- (ii) Implements internal controls (risk identification, assessment, management, tracking, and other systems).
- (iii) Provides the Board with complete, reliable, and accurate financial statements prepared on time and in accordance with accounting rules and Company policies.
- (iv) Prepares for publication the financial statements and reports for which publication is required and any other financial or nonfinancial information provided for current or potential shareholders.
- (v) Provides the Board of Directors with a comprehensible, objective assessment of the Company's financial position.
- (vi) Furnishes the Board of Directors with all of the information required to perform its duties in a timely manner.



(vii) Is accountable and reports to the Board of Directors on the conduct of its responsibilities.

5.2. Chief executive officer (CEO)

5.2.1. Role and responsibilities

Responsibilities of the chief executive officer:

- (i) The chief executive officer is IBA's highest ranking executive. As such, he or she:
 - (a) Personifies and communicates clearly IBA's values. The chief executive officer sets the tone and serves as an example for the behavior of IBA's managers and employees.
 - (b) Studies, determines, and submits to the Board of Directors strategic recommendations and choices for IBA's development.
 - (c) Implements the Board's decisions.
 - (d) Names, removes, presides over, organizes, and directs the managers of the Company's various operations. He or she gives these managers direction and provides support and advice on the conduct of their individual responsibilities. The chief executive officer sets the objectives, evaluates their performance, and determines their compensation.
 - (e) Is IBA's chief spokesperson to the outside world.
 - (f) Actively assists the Board of Directors and its Chairman in the exercise of their responsibilities. This active contribution includes:
 - Maintaining ongoing interaction and dialogue with the Board of Directors in an atmosphere of respect, trust, and openness.
 - Making recommendations to the Board of Directors and its committees in the areas reserved for the Board.
 - Providing the Board of Directors with the information that it needs to exercise its authority effectively.
 - Maintaining regular contact with the Chairman and involving the Chairman in strategic initiatives.



- Examining every issue with the Chairman and, specifically, matters to be included on the agenda of meetings of the Board and its committees.

(ii) The CEO is responsible for the Company's day-to-day management and exercises any other powers entrusted to him or her by the Board of Directors.

5.2.2. Appointment and term of office

The Board of Directors appoints the chief executive officer. It bases this appointment on a recommendation from the managing directors responsible for day-to-day management.

5.2.3. Compensation and performance evaluation

The Compensation Committee determines the total amount of the CEO's direct and indirect compensation by delegation of authority from the Board of Directors. Each year, the Compensation Committee sets the CEO's objectives for the coming year and evaluates his or her performance for the previous year. This evaluation of the CEO's performance is also used to determine the variable component of his or her annual compensation, which may equal up to 50 percent of base pay.

6. AUDIT

IBA operates within the regulatory framework applicable to publicly traded companies. As an issuer of stock traded on Euronext Brussels, IBA is subject to the obligations imposed by Euronext Brussels and to the supervision of Belgium's Banking, Finance, and Insurance Commission (CBFA).

The auditor is selected in accordance with the Belgian Code of Company Law

The auditor reports directly to the Audit Committee. He or she attends two of its meetings each year. Once a year, the auditor also attends the meeting of the Board of Directors at which the financial statements are discussed and approved. In addition, the auditor may have direct contact with the Chairman of the Board of Directors or the chair of the Audit Committee outside formal meetings of the Board of Directors or the Audit Committee.

The Audit Committee evaluates the quality of the auditor's services at least once every three years. The Audit Committee evaluates the independence of the auditor and audit companies on a regular



basis and submits its report to the Board of Directors. The auditor is required to comply with local laws and regulations as well as International Financial Reporting Standards.

IBA's external auditors are authorized to provide the following services:

(i) Audit services. The purpose of audit services is to certify that the financial statements present fairly the Company's financial position. They include the following:

- The auditors' opinion on the Company's annual statutory financial statements, annual consolidated financial statements, and mid-year financial statements;
- In general, any opinion required of the auditor under local laws and regulations.

(ii) Audit-related services. Audit-related services include the services and other work traditionally provided by external auditors. These services generally lead to a certification or to the formulation of a specific opinion following an investigation. They include due diligence services, auditing of financial statements for employee benefit plans, and formulation of opinions or audit reports on information supplied by IBA at the request of a third party.

(iii) Nonaudit services, such as tax and consulting services. In accordance with IBA's policy on the independence of external auditors, external auditors may not provide any service that might violate the basic independence principles described above. The following categories of services are prohibited:

- (a) Accounting or any other service connected with financial accounting records;
- (b) Appraisal or valuation services or fairness opinions;
- (c) Design and implementation of financial information systems;
- (d) Actuarial services;
- (e) Management functions and executive and nonexecutive recruitment services;
- (f) Brokerage services and investment consulting or investment banking services;



(g) Legal services;

(h) Judicial audit.

IBA's Audit Committee is responsible for approving any audit or other services provided by IBA's external auditors.

7. CHARTER OF ETHICS

IBA has implemented a code of ethical conduct. This code defines the fundamental principles of ethical business conduct and provides guidance for IBA's employees and service providers. It establishes guidelines for major business practices in areas such as business partnership, conflict of interest, integrity, confidentiality and intellectual property, and legal compliance.

IBA has also taken steps to ensure compliance with the legal provisions on insider trading by distributing its policy on insider trading prevention to all of its employees (in the broadest sense of the word) and requiring all directors and upper managers to sign the policy. IBA has also implemented specific guidelines for related party transactions and other contractual relationships involving the Company, associated companies, directors, and members of management that are not covered by the legal provisions on conflict of interest.



APPENDIX 1. PROFILE OF IBA BOARD OF DIRECTOR COMPETENCIES

The members of IBA's Board of Directors come from different professional backgrounds. They combine a broad spectrum of experience and competencies with a reputation for integrity.

To exercise its responsibilities effectively, the Board of Directors as a whole must bring together the core competencies described below. Members are nominated without regard to gender or race on the basis of their potential contribution in terms of knowledge, experience, and competency in one or more fields and in accordance with the needs of the Board at the time of nomination.

(i) Leadership qualities: Competency and capacity to conceive and refine a strategic vision by conceptualizing fundamental trends, encouragement of positive, high-quality dialogue, and commitment and perseverance combined with a critical but constructive view on the Company's established schemes and vision.

(g) Knowledge of the Company's applications and markets.

(h) Knowledge of technologies useful to the Company.

(i) Marketing and organization: Successful experience in managing a company of some size that is active in both local and international markets.

(j) Accounting: Familiarity with reading and interpreting financial statements, knowledge of international accounting standards, and knowledge of accounting and consolidation methods and procedures.



APPENDIX 2. IBA BOARD OF DIRECTORS INDEPENDENCE CRITERIA

The Company's articles of incorporation cite Article 524, paragraph 4, of the Belgian Code of Company Law. This article cites Article 526 *ter* of the Code, inserted by the Act of December 17, 2008:

"An independent director within the meaning of Article 526 *bis*, paragraph 2, must meet the following minimum criteria:

"**1** For the five-year period preceding election, he or she may not have been an executive member of an administrative body, a member of a management committee, or a managing director responsible for day-to-day management, either for the company or for an associated company or person within the meaning of Article 11.

"**2** He or she may not have been a nonexecutive member of the board of directors for more than three successive terms of office, which together may not exceed 12 years.

"**3** For the three-year period preceding election, he or she may not have been a member of management staff within the meaning of Article 19(2) of the Business, Companies, and Associated Companies or Persons Organization Act of September 20, 1948 or an associated company or person within the meaning of Article 11.

"**4** He or she may not receive or have received compensation or any other significant pecuniary benefit from the company or an associated company or person within the meaning of Article 11, with the exception of tantiemes and directors fees received as a nonexecutive member of the administrative body or a member of the supervisory body.

"**5(a)** He or she may not hold ownership rights in a company representing one-tenth or more of the capital, the partnership fund, or a class of the company's stock.

"**(b)** If he or she holds ownership rights in a company representing an interest of less than 10 percent:

- When added to the ownership rights in the company held by companies controlled by the independent director, these ownership rights may not aggregate more than one-tenth of the capital, the partnership fund, or a class of the company's stock; and
- Disposal of these shares or exercise of the associated rights may not be subject to contract provisions or unilateral agreements signed by the independent member of the administrative body.

"**(c)** He or she may not be a shareholder covered in any way by the above conditions.

"**6** He or she may not have had a significant business relationship during the previous fiscal year with the company or with an associated company or person within the meaning of Article 11, either directly or as a partner, shareholder, member of the administrative body, or member of management staff within the meaning of the Business, Companies, and Associated Companies or Persons Organization Act of September 20, 1948.



“7 He or she may not have been in the past three years a partner or employee of the current or previous external auditor of the company or an associated company or person within the meaning of Article 11.

“8 He or she may not be an executive member of the administrative body of another company in which one of the company’s executive directors is a nonexecutive member of the administrative body or a member of the supervisory body, nor have significant relations with other executive directors of the company owing to his or her functions in other companies or bodies.

“9 He or she may not have a spouse, legally recognized partner, relative, or ascendant to the second degree who is a member of the company's administrative body or management committee, a managing director of the company responsible for day-to-day management, or a member of its management staff within the meaning of Article 19(2) of the Business, Companies, and Associated Companies or Persons Organization Act of September 20, 1948 or who is covered by any of the cases in subparagraphs 1 to 8.

“The decision to appoint shall indicate the grounds on which the capacity of independent director has been conferred.”

The Company will apply the transitional provisions stipulated in Article 24, paragraph 3, of the Act of December 17, 2008:

“In publicly traded companies, directors elected before the entry into force of this Title who meet the criteria in Article 524, paragraph 4(2), of the Code of Company Law but not the criteria in Article 526 *ter* of said Code may continue to sit as independent directors within the meaning of Articles 524, paragraph 2(1), and 526 *bis*, paragraph 2, of the Code of Company Law until July 1, 2001. Article 524, paragraph 4(2), shall remain in force until July 1, 2011 for purposes of the application of the preceding paragraph.”

The old Article 524, paragraph 4(2), of the Code reads as follows:

“Independent directors within the meaning of paragraph 2(1) must meet the following minimum criteria:

“1 For the two-year period preceding election, an independent director may not have been a director, manager, member of the management committee, managing director responsible for day-to-day management, or executive, either for the company or for an associated company or person within the meaning of Article 11; this condition shall not apply for the extension of an independent director's term.



“2 No spouse, legally recognized partner, relative, or ascendant to the second degree thereof may be an administrator, manager, member of the management committee, managing director responsible for day-to-day management, or executive of the company or an associated company or person nor hold a financial interest therein as set out in 3 below.

“3(a) Independent directors may not hold ownership rights in a company representing one-tenth or more of the capital, the partnership fund, or a class of the company’s stock.

(b) If they hold ownership rights in the company representing an interest of less than 10 percent:

- When added to the ownership rights in the company held by companies controlled by the independent director, these ownership rights may not aggregate more than one-tenth of the capital, the partnership fund, or a class of the company’s stock; and
- Disposal of these shares or exercise of the associated rights may not be subject to contract provisions or unilateral agreements signed by the independent director.

“4 They may not have a relationship with any company that could potentially jeopardize their independence.

“The decision to appoint shall indicate the grounds on which the capacity of independent director has been conferred.”