

VIOHALCO

CORPORATE GOVERNANCE CHARTER OF VIOHALCO SA

**as approved by the board of directors of the company
on 31 March 2014**

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1. INTRODUCTION

As a company incorporated under Belgian law and listed on Euronext Brussels, Viohalco SA (*Viohalco* or the *Company*) adheres to most of the principles and provisions of the 2009 Belgian Corporate Governance Code (the *Corporate Governance Code*).

This Corporate Governance Charter has been adopted by the board of directors of Viohalco (the *Board*) to reinforce its standards for the Company in accordance with the recommendations set out in the Corporate Governance Code. It aims at providing a comprehensive and transparent disclosure of the Company's governance and will be reviewed and updated from time to time.

In addition, the Company will include in its annual report, a corporate governance statement with factual information on the corporate governance and relevant modifications thereto, together with details of remuneration of the executives and of relevant events that took place during the year. Derogations to the Corporate Governance Code will be explained in the annual report.

To have a complete overview of Viohalco's corporate governance rules, the Corporate Governance Charter must be read in conjunction with the Company's articles of association, the corporate governance statement in the annual report as well as the corporate governance provisions laid down in the Belgian Companies Code (the *BCC*).

This Corporate Governance Charter, as well as the annual report and the Company's coordinated articles of association, are published on the Viohalco's website (www.viohalco.com). Copies of the Corporate Governance Charter are available at no charge on request at the Company's registered office.

2. SHAREHOLDING STRUCTURE

2.1 *Major shareholders*

As at 16 November 2013, the shareholding structure of Viohalco is as follows:

- (i) 42.81% of the shares of Viohalco are held by Evangelos Stassinopoulos;
- (ii) 32.27% of the shares of Viohalco are held by Nicholaos Stassinopoulos;
- (iii) 3.93% of the shares of Viohalco are held by Michail Stassinopoulos; and
- (iv) 3.92% of the shares of Viohalco are held by Ioannis Stassinopoulos.

None of the major shareholders listed in items (i) to (iv) above is acting in concert with any other of them nor with any other shareholder of the Company.

In addition, it should also be mentioned that three companies owned by some of these major shareholders hold shares in the Company:

- (a) two companies owned 50% by Michail Stassinopoulos and 50% by Ioannis Stassinopoulos, hold collectively 2.56% of the shares of the Company, and
- (b) one company owned 50% by Nicholaos Stassinopoulos and 50% by Evangelos Stassinopoulos holds 3.9% of the shares of the Company.

Since, in the case of each of the three companies mentioned in items (a) and (b), (i) there are only two shareholders each of which holds 50% of the shares, (ii) there is no shareholders'

agreement among the shareholders and such shareholders do not act otherwise in concert in respect of these companies, and (iii), as a result, none of these shareholders is able to exercise alone control over these companies, neither such companies nor any of their shareholders are expected to make any transparency notification with respect to their shareholding in the Company.

Voting rights are governed by the “one share, one vote” principle and major shareholders do not have different voting rights than other shareholders.

2.2 *Capital and shares*

The amount of Viohalco’s capital and the number of Viohalco shares currently outstanding can be found in article 5 of the articles of association of the Company and on www.viohalco.com. As at 16 November 2013, the share capital of Viohalco amounts to EUR 104,996,194.19 and is divided into 219,611,308 shares without nominal value. The capital can be increased or decreased in compliance with the law.

All shares of the Company are fully paid-up and freely transferable. The shares of the Company have been issued in registered or dematerialised form. Dematerialised shares are represented by an entry in an account in the name of its owner with an authorised account holder or with a clearing institution. For registered shares, the names and addresses of all shareholders or holders of a right of usufruct or pledge are recorded in the shareholder register of Viohalco.

2.3 *Listing*

The shares of Viohalco are listed on Euronext Brussels under the symbol VIO. Information on the Company’s share price can be found on the website of the Company (www.viohalco.com).

2.4 *Preferential subscription right in case of capital increase*

In the event of a capital increase by way of a contribution in cash with the issue of new shares, the existing shareholders have a preferential right to subscribe, to the new shares in proportion to that share of the capital represented by the shares of the Company they hold. These preferential subscription rights are transferable during the subscription period.

The shareholders’ meeting of the Company may decide, in accordance with article 596 of the BCC in the interests of the company, to restrict or cancel the preferential subscription right, subject to special reporting requirements. Such decision by the shareholders’ meeting needs to satisfy the same quorum and majority requirements as the decision to amend the articles of association of the Company.

In the case of a capital increase pursuant to the authorised capital, the Board has not been authorised to restrict or cancel the preferential subscription right.

3. SHAREHOLDERS

3.1 *Relations with shareholders*

Viohalco is committed to provide to all its shareholders all relevant information so as to enable them to exercise their rights.

The ordinary shareholders' meeting is an opportunity for the Board to communicate with the shareholders on strategy, results and operations of the Company, to give additional insight on corporate governance matters and to answer shareholders' questions.

Viohalco's website includes a regularly updated section dedicated to investors where additional information can be found, including information relating to shares and share price, shareholders' meetings, key financial data, financial calendars and press releases.

3.2 Authority of the general meeting of shareholders

The general meeting of shareholders represent all shareholders of the Company. Its decisions are binding upon all shareholders even absentees or dissidents.

The general meeting of shareholders has sole authority with respect to certain matters, including:

- any amendment to the articles of association of the Company;
- any capital increase (except for a capital increase decided by the Board in the framework of the authorised capital) and any capital decrease;
- any authorisation to be granted to the Board to increase the capital in the framework of the authorised capital or any renewal thereof;
- the appointment of directors (except the temporary filling-up of a vacancy) and auditors;
- bond issuance;
- the approval of annual accounts and the allocation of the profits;
- any merger or dissolution of the Company; and
- the appointment of liquidators.

3.3 Ordinary meeting

The ordinary shareholders meeting meets once a year to examine the annual report and the report of the auditor(s), approve the annual accounts, decide on the discharge of the directors and auditor(s) and, where necessary appoints director(s) and auditor(s).

The ordinary shareholders' meeting of Viohalco is held each year on the last Tuesday of May at noon. If such date falls on a public holiday in Belgium, the ordinary shareholders' meeting is held on the next business day at the same time. It takes place in Brussels at the registered office of the Company or at the place designated in the notice convening the shareholders' meeting.

3.4 Extraordinary meetings

Extraordinary shareholders' meetings meet for the purpose of amending the articles of association of the Company.

3.5 ***Right to convene a shareholders' meeting***

The Board or the auditor(s) of the Company can convene a shareholders' meeting of the Company at any time. A shareholders' meeting must be convened by the Board upon the written request from one or more shareholders representing at least 20% of the share capital of the Company, mentioning the agenda.

Extraordinary or special shareholders' meetings can be convened each time the interest of the Company requires so.

3.6 ***Notice and agenda***

Holders of registered shares must receive written notice of a shareholders' meeting of the Company at least 30 days prior to the meeting. The Company must also publish a notice of the meeting in the Belgian State Gazette (*Moniteur belge / Belgisch Staatsblad*), in a newspaper with national distribution and in media that can be reasonably considered having effective distribution with the public in the European Economic Area and that is swiftly accessible, and in a non-discriminatory manner. The notices are published at least 30 days prior to the meeting. If a new convening notice is required for lack of quorum and the date of the second meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second meeting.

As from the publication of the notice, the Company shall make the information required by law available on the Company's website (www.viohalco.com) for a period of five years after the relevant shareholders' meeting of the Company.

One or more shareholders that together hold at least 3% of the Company's share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or proposed resolutions have been addressed in writing (by registered mail or e-mail) by these shareholders to the registered office of the Company at the latest on the twenty-second day preceding the date of the relevant shareholders' meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant shares in the share register of the Company or by a certificate issued by the authorized account holder or the clearing institution certifying the book-entry of the relevant number of dematerialised shares in the name of the relevant shareholder(s).

The Company shall acknowledge receipt of the shareholders' requests within 48 hours and, if required, publish a revised agenda of the shareholders' meeting, at the latest on the fifteenth day preceding the shareholders' meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second shareholders' meeting that must be convened because the quorum was not obtained during the first shareholders' meeting.

3.7 ***Admission to meetings***

As a general rule, a shareholder wishing to attend and participate in the shareholders' meeting of the Company must:

- (i) have the ownership of its shares recorded in its name, as at midnight Central European Time, on the fourteenth calendar day preceding the date of the meeting (the Record Date) either through registration in the shareholders' register in the case of

registered shares or through the book-entry in the accounts of an authorised account holder or clearing institution in the case of dematerialised shares; and

- (ii) notify the Company (or the person designated by the Company) by returning a signed original paper form or, if permitted by the Company in the notice convening the shareholders' meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the day of the meeting, of its intention to participate in the meeting, indicating the number of shares in respect of which it intends to do so.

In addition, holders of dematerialised shares must, at the latest on the same day, provide the Company (or the person designated by the Company), or arrange for the Company (or the person designated by the Company) to be provided, with an original certificate issued by an authorised account holder or a clearing institution certifying the number of shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the meeting.

3.8 *Voting rights and questions*

Each share entitles its owner to one vote.

Any shareholder of the Company is entitled to vote in person or give a proxy to another person, who needs not be a shareholder, to represent him or her at the meeting. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

Any shareholder may vote remotely in relation to the shareholders' meeting of the Company, by sending a paper form or, if permitted by the Company in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. Only forms received by the Company at the latest on the sixth calendar day preceding the date of the meeting will be taken into account.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

Within the limits of Article 540 of the BCC, the directors and the auditor of the Company answer, during the shareholders' meeting, the questions raised by shareholders. Shareholders can ask questions either during the meeting or in writing, provided that the Company receives the written question at the latest on the sixth day preceding the shareholders' meeting.

3.9 *Quorum and majorities*

(i) *General rule*

Quorum requirements are applicable to any shareholders' meetings of the Company. As a general rule, at least 57% of the share capital of the Company must be present or represented for a shareholders' meeting to take place. If the quorum is not reached, a second meeting may be convened with the same agenda at which no quorum shall apply.

Decisions of the shareholders' meeting must, as a rule, be adopted with 65% of the votes. Abstentions and null votes are accounted for as votes for the computation of the 65% majority.

(ii) *Specific matters*

Some specific matters requires that two third of the share capital of the Company be present or represented. This is the case when the shareholders' meeting votes on:

- the transfer of the registered office abroad;
- the amendment of the corporate purpose of the company;
- any capital increase or decrease;
- any authorisation to be granted to the Board to increase the capital in the framework of the authorised capital or any renewal thereof;
- any amendment of the rules on allocation of profits set forth in the articles of association of the Company;
- any merger, transformation, liquidation or dissolution of the Company;
- any conversion of a category of shares into another category of shares or the creation of a new category of shares;
- the appointment of directors; and
- any other amendment of the articles of association of the Company.

If such two third quorum is not reached, a new shareholders' meeting can be convened with the same agenda. Such new meeting can validly deliberate if 60% of the share capital is present or represented. If such 60% quorum is not reached, a new shareholders' meeting can be convened with the same agenda and can validly deliberate if 58% of the share capital is present or represented.

In the cases described in this paragraph (ii), decisions of the shareholders' meeting must, as a rule, be adopted with 75% of the votes, without prejudice to more stringent majority rules set forth in the BCC. Abstentions and null votes are accounted for as votes for the computation of the 75% majority.

3.10 *Minutes*

Minutes of the shareholders' meetings are available to any shareholder on request and are published on the website of the Company.

3.11 *Dividends*

Dividend payments, if any, are decided by the shareholders' meeting. The Board may pay an interim dividend in accordance with the provisions of the BCC.

4. PUBLICATION OF RESULTS

Viohalco communicates its annual, half-yearly and quarterly results in accordance with the rules established for listed companies relative to such periodic information.

5. THE BOARD OF DIRECTORS

5.1 *Role*

The Board is vested with the power to perform all acts that are necessary or useful for the realisation of the Company's purpose, except for those actions that are specifically reserved by law or the articles of association to the shareholders' meeting or other management bodies.

In particular, the Board is responsible for:

- defining the general policy orientations of the Company and its subsidiaries;
- deciding on all major strategic, financial and operational matters of the Company;
- overseeing the executive management of the Company;
- taking all necessary measures to guarantee the quality, reliability, integrity and publication in due course of the Company's financial statements and other significant financial or non-financial information about the Company;
- monitoring and reviewing the effectiveness of the Audit Committee and the Remuneration and Nomination Committee;
- approving a framework of internal control and risk management set up by the executive management;
- monitoring the quality of the services provided by the external auditor(s) and the internal audit, taking into account the Audit Committee's assessment;
- approving the remuneration report; and
- all other matters reserved to the Board by the Belgian Companies Code.

Within certain limits, the Board is entitled to delegate part of its powers to the members of the executive management and to delegate special and limited powers to the CEO.

5.2 *Composition*

In accordance with article 9 of the articles of association, the Board is composed of minimum five members and maximum fifteen members. As at 16 November 2013, the Board comprises 12 members. At least half of the directors are non-executive directors and at least three directors meet the independence criteria set forth in article 526ter of the BCC. As at 3 June 2014, it is composed of five executive members and seven non-executive members (including the President), six of which are independent.

The Board will meet at least every two to three years in order to assess its size, composition, performance and those of its committees. Non-executive directors shall meet at least once a year to assess their interaction with the executive management.

5.3 *Nomination and resignation*

The members of the Board are appointed by the shareholders' meeting under the quorum and majority conditions applicable to an amendment to the articles of association of the Company, upon proposal from the Board or, as the case may be from shareholders. Should a directorship fall vacant, the remaining directors may co-opt a director to fill such office on a temporary basis. In that case, it is up to the next shareholders' meeting to proceed with the definitive appointment.

The directors are appointed for a term of maximum one year. Their term of office is renewable. If a director does not participate to any board meeting for a period of six months without valid reason, he or she will be deemed to have resigned from the Board.

The Board draws up nomination procedures and selection criteria. The Remuneration and Nomination Committee examines candidacies and seeks to ensure that a satisfactory balance of expertise, knowledge, experience and gender diversity is maintained among members of the Board. The Board acts on the co-opting or on the proposal for appointment to be submitted to the shareholders' meeting after having examined recommendations made by the Nomination and Remuneration Committee. This procedure also applies to nomination proposals from shareholders.

Any proposal for the appointment of a director by the shareholders' meeting is accompanied by a recommendation from the Board based on the advice of the Remuneration and Nomination Committee.

The Board indicates which candidates satisfy the independence criteria. To be considered as independent, a director must fulfil the criteria set forth in article 526ter of the BCC. Any independent director who no longer fulfils the above criteria of independence shall immediately so inform the Board.

The directors can be revoked at any time by the shareholders' meeting. A director may submit his or her resignation at any time.

5.4 *Remuneration*

The remuneration of the members of the Board was decided by the shareholders' meetings of 24 October 2013 and amounts to EUR 25,000 per director for the term of their mandate.

Going forward, the Board will adopt the policy for remuneration of the executive and non-executive directors on the basis of a proposal from the Remuneration and Nomination Committee. The Remuneration and Nomination Committee bases its proposals on a review of prevailing market conditions for comparable companies.

The Board prepares a remuneration report that is published in its annual report in the "Corporate Governance Statement" chapter. This report contains the information required by the law of 6 April 2010 on the reinforcement of corporate governance in the listed companies and by the Code of Corporate Governance. More specifically, it describes the internal procedure for development of the remuneration policy for executive and non-executive directors and determination of their level of remuneration. This report also includes a statement on the remuneration policy adopted for the executive and non-executive directors. It describes on an individual basis, the remuneration of members of the Board. The amounts taken into consideration are those allocated directly or indirectly, on an individual basis to the directors by all the consolidated and associated companies. Any significant change in the

remuneration policy compare with the year covered by the annual report is highlighted in the remuneration report.

5.5 *Functioning*

The Board has elected a president among its members (the *President*). The President is responsible for the leadership of the Board and sets the agenda of the meetings of the Board after consultation with the CEO. The President is responsible for ensuring that all directors receive accurate, timely and clear information.

The Board has appointed a secretary to advise the Board on all governance matters (the *Corporate Governance Secretary*).

The Board shall meet as frequently as the interests of the company so require and in any case at least five times a year. Where duly justified by an emergency and by the corporate interest of the Company, decisions may be adopted, without a meeting, by the unanimous written consent of the directors. However, this procedure may not be used for the approval of the annual accounts and the use of the authorised capital. The majority of the meetings of the Board in any year shall take place in Belgium.

The Board can only validly deliberate provided at least five-sixth of its members is present or represented. Decisions of the Board can only be adopted with a majority of five-sixth of the members whether present or represented or not.

6. EXECUTIVE MANAGEMENT

6.1 *Composition and role*

The executive management of the Company is composed of the chief executive officer (the *CEO*), an executive vice-president (the *Vice-President*), and any executive management member which the Board would appoint in the future.

The CEO and the Vice-President are appointed for a renewable term of 1 year by the Board. The CEO cannot be the President of the Board.

The CEO is vested with the day-to-day management of the Company. He is also entrusted with the execution of the resolutions of the Board and he represents the Company within the framework of its day-to-day management. The general responsibilities of the CEO include the following:

- preparing strategic proposals to be made to the Board;
- putting internal controls in place;
- monitoring and managing the Company's results and performance against strategic and financial plans;
- giving direction, guidance and support to the Company's business;
- preparing financial statements of the Company in accordance with applicable accounting standards and the related press releases issued by the Company, and providing the Board with a balanced and understandable assessment of the Company's financial situation;

- making recommendations to the Board with respect to matters within its competency; and
- reporting to the Board on the performance of the Company.

6.2 **Remuneration**

The remuneration report provides details with respect to the principles of remuneration of the CEO and the Vice president and the components and amount of the remuneration and other benefits granted to them during the financial year.

7. **THE AUDIT COMMITTEE**

7.1 **Composition and role**

The Board of Directors has established an Audit Committee in accordance with Article 526bis of the BCC. Such Audit Committee shall at least have three members appointed among the non-executive directors, at least two of them shall be independent directors. The Board appoints the chairman of the Audit Committee.

The Audit Committee advises the Board of Directors on accounting, audit and internal control matters, and shall in particular:

- monitor the financial reporting process;
- monitor the effectiveness of the Company’s internal control and risk management systems;
- monitor the internal audit and its effectiveness;
- monitor the statutory audit (*contrôle legal/wettelijke controle*) of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the external auditor;
- present recommendations to the Board with respect to the appointment of the statutory auditor; and
- review and monitor the independence of the external auditor, in particular regarding the provision of additional services to the Company.

7.2 **Functioning**

The Audit Committee meets at least four times a year. At least twice a year, it should meet the external and internal auditor(s). The Audit Committee meets at least every two to three years to review its terms of reference and its effectiveness.

The Audit Committee shall report regularly to the Board on the exercise of its duties and at least when the Board sets up the annual accounts, consolidated accounts and condensed financial statements intended for publication.

8. THE REMUNERATION AND NOMINATION COMMITTEE

8.1 *Composition and role*

The Board of Directors has established a Remuneration and Nomination Committee in accordance with Article 526quater of the Belgian Companies Code. Such Remuneration and Nomination Committee shall at least have three members appointed among the non-executive directors, at least two of them shall be independent directors. The Board appoints the chairman of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee advises the Board principally on matters regarding the appointment and remuneration of directors and senior management and shall in particular:

- submit proposals to the Board for the remuneration of directors and executive management;
- submit a remuneration report to the Board;
- make recommendation to the Board with regard to the appointment of the directors, the CEO and the Vice-President;
- draft appointment procedures for board members and members of the executive management;
- periodically assess the composition and size of the Board and make recommendations to the Board with regard to any change;
- identify and nominate, for the approval of the Board, candidates to fill vacancies as they arise; and
- advise on proposals for appointment originating from shareholders.

8.2 *Functioning*

The Remuneration and Nomination Committee meets at least twice a year and whenever necessary in order to carry out its duties. It also meets at least every two to three years to review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

9. INSIDER DEALING AND MARKET MANIPULATION

The Company will adopt a dealing code (the *Dealing Code*). The Dealing Code will comply with the rules on market abuse applicable in Belgium and contain stringent trading restrictions that apply to persons having access to material non public information. These persons may not trade in Company's securities during restriction periods. Outside of restriction periods, these persons must inform the Corporate Governance Secretary before trading in Company's securities and confirm that they are not in possession of any material non-public information. The Corporate Governance Secretary monitors compliance with the Dealing Code and is entitled to set special restriction periods.

Directors and members of the executive management and their related persons must notify the Financial Services and Markets Authority (FSMA) of trading in Company's securities in compliance with Belgian law.

10. CONFLICTS OF INTERESTS

In the event there should arise a conflict of interest with a director, a shareholder or another company of the Viohalco group, the Board shall implement the specific procedures set forth in articles 523 and 524 of the BCC.

In general, each director and member of the executive management acts without conflict of interest and always puts the interest of Viohalco before his or her individual interest. Each director and member of the executive management arranges his or her personal business so as to avoid direct and indirect conflict of interest with Viohalco.

All directors inform the Board of conflicts of interest as they arise. If the conflict of interest is of proprietary nature, they also abstain from participating in the discussions and deliberations on the matter involved in accordance with article 523 of the BCC. The minutes of the meeting during which the conflict of interest arose shall be reproduced in the annual report of the Company.

If the conflict of interest is not covered by the provisions of the BCC and involves a transaction or contractual relationship between Viohalco or one of its related entities on the one hand and any director or member of the executive management (or a company or entity with which such director or member of the executive management has a close relationship) on the other hand, such director shall inform the Board of the conflict and the Board will be particularly attentive that the approval of the transaction is motivated by Viohalco's interest only and takes place at arm's length.

In all cases involving a conflict of interest not covered by article 523 of the BCC, it shall be incumbent upon the conflicted director to judge whether he or she should abstain from participating in the discussions of the Board and the vote.

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