

# CORPORATE GOVERNANCE CHARTER



## Table of Contents

1	INTRODUCTION.....	3
2	DEFINITIONS .....	3
3	GOVERNANCE STRUCTURE .....	3
4	BOARD OF DIRECTORS .....	4
4.1	POWERS AND RESPONSIBILITIES OF THE BOARD.....	4
4.2	COMPOSITION OF THE BOARD.....	5
4.3	FUNCTIONING OF THE BOARD .....	11
4.4	ACCESS TO ADVISORS .....	13
4.5	EVALUATION .....	13
4.6	CONDUCT OF THE DIRECTORS.....	13
5	EXECUTIVE MANAGEMENT .....	15
5.1	CHIEF EXECUTIVE OFFICER (CEO).....	15
5.2	GROUP EXECUTIVE COMMITTEE .....	15
5.3	1991 LAW COMMITTEE .....	15
6	BOARD COMMITTEES .....	16
6.1	GENERAL .....	16
6.2	ROLE AND COMPOSITION OF THE COMMITTEES .....	16
6.3	FUNCTIONING OF THE COMMITTEES.....	19
7	REMUNERATION POLICY .....	21
8	DIVIDEND POLICY .....	22
9	SHAREHOLDERS' MEETING .....	22
9.1	ANNUAL AND OTHER SHAREHOLDERS' MEETINGS .....	22
9.2	SHAREHOLDERS' MEETING NOTICES .....	23
9.3	ATTENDANCE FORMALITIES .....	23

9.4	PROXIES .....	23
9.5	REMOTE VOTING AND PARTICIPATION.....	24
9.6	QUESTIONS .....	24
9.7	QUORUM AND MAJORITY .....	24
9.8	MINUTES .....	24
10	JOINT AUDITORS.....	24
11	SHAREHOLDING STRUCTURE .....	24
12	CAPITAL.....	24
13	CODE OF CONDUCT .....	25
14	DEALING AND DISCLOSURE CODE .....	25
15	DIVERSITY POLICY .....	25
	ANNEX 1 – BOARD COMPETENCY PROFILE .....	26

## BPOST CORPORATE GOVERNANCE CHARTER

### 1 INTRODUCTION

As a limited liability company under public law, bpost NV/SA, *naamloze vennootschap van publiek recht / société anonyme de droit public* (“**bpost**”) is governed by the Belgian Code of Companies and Associations<sup>1</sup>, as amended from time to time (the “**Companies Code**”), unless otherwise stipulated by the Law of March 21, 1991 on the reform of certain public-sector commercial undertakings, as amended from time to time (the “**1991 Law**”) or other Belgian laws or regulations.

bpost has designated the 2020 Belgian Code on Corporate Governance (the “**Corporate Governance Code**”) as its reference code<sup>2</sup>. In addition, bpost adheres to the OECD Principles of Corporate Governance and Guidelines on Corporate Governance of State-owned Enterprises, subject however to the legal framework applying to bpost and in particular the 1991 Law.

The board of directors (the “**Board**”) of bpost adopted this Corporate Governance Charter on May 27, 2013. The Charter has been effective since June 25, 2013 and was last amended by a Board’s decision of August 4, 2022.

The Board reviews the Corporate Governance Charter at regular intervals and adopts any changes deemed necessary and appropriate.

The Corporate Governance Charter is publicly available in English, Dutch and French on bpost’s website.

### 2 DEFINITIONS

Any term defined in article 2 of the bpost’s articles of association (the “**Articles of Association**”) shall have the same meaning for the purposes of this Corporate Governance Charter.

### 3 GOVERNANCE STRUCTURE

The latest version of bpost’s Articles of Association was adopted at the Shareholders’ Meeting of May 13, 2020 and is publicly available in English, Dutch and French on bpost’s website.

bpost applies a “one-tier” governance structure in the sense of article 7:85 of the Companies Code. The main aspects of bpost’s governance model are set out in the Articles of Association and detailed in this Corporate Governance Charter.

At least once every five years, the Board will review whether the chosen governance structure is still appropriate, and if not, will propose a new governance structure to the shareholders’ meeting.

More factual information relating to bpost corporate governance, including any deviations from the Corporate Governance Code, the remuneration report, a description of the key features of the internal control and risk management systems, a description of the composition of the Board and how it functions and all relevant information on events affecting its governance during the year under review, is included every year in a separate corporate governance statement, which is a specific section of the annual report<sup>3</sup>.

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<sup>1</sup> Dated March 23, 2019. This Code was published in the Belgian State Gazette on April 4, 2019.

<sup>2</sup> The Corporate Governance Code is available on the website of the Corporate Governance Committee ([www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be)).

<sup>3</sup> The latest version of the bpost corporate governance statement is publicly available on [https://corporate.bpost.be/?sc\\_lang=en](https://corporate.bpost.be/?sc_lang=en)

## 4 BOARD OF DIRECTORS

### 4.1 POWERS AND RESPONSIBILITIES OF THE BOARD

#### 4.1.1 General

In accordance with Article 18, §1 of the Articles of Association, the Board is vested with the power to perform all acts that are necessary or useful for the fulfilment of bpost's purpose, except for those which the law or the Articles of Association reserve to the shareholders' meeting. In particular, the Board is responsible for:

- (i) defining and regularly reviewing the medium- and long-term strategy, as well as the general policy orientations of bpost and its subsidiaries;
- (ii) deciding all major strategic, financial and operational matters of bpost and its subsidiaries;
- (iii) ensuring that the bpost's culture is supportive of the realisation of its strategy and that it promotes responsible and ethical behaviour;
- (iv) overseeing the management of the company by the chief executive officer (the "CEO") and the Group Executive Committee;
- (v) all other matters reserved to the Board by the Companies Code or the 1991 Law.

#### 4.1.2 Monitoring responsibilities

The Board has more in particular, among others, the following tasks and responsibilities:

(i) internal control:

- ensure that an internal control system and procedures are put in place, including an appropriate risk identification and management system and procedures to ensure legal compliance;
- monitor the functioning and adequacy of the internal control system and procedures, taking into account the review made by the Audit & Risk Committee;
- take the necessary measures to ensure the integrity of the financial statements;
- ensure that bpost presents a clear view of the group's performance in its annual report and that the annual report contains sufficient information on issues of societal concern and the relevant environment and social indicators;
- put a process in place for monitoring bpost's compliance with laws and other regulations.

(ii) evaluation:

- evaluate the performance of the senior management;
- monitor and review the effectiveness of the Board's committees;
- monitor the activities of the statutory auditors and the internal audit department, taking into account the reviews made by the Audit & Risk Committee.

(iii) composition and compensation of the CEO, 1991 Law Committee and Group Executive Committee:

- decide on the appointment or removal of the CEO, any member of the 1991 Law Committee and of the Group Executive Committee;
- decide on the remuneration of the CEO and members of the Group Executive Committee, including any share-based or other incentives, as the case may be, in line with the remuneration policy.

(iv) strategic and business plan:

- regularly review the business plan as prepared by the CEO and the Group Executive Committee, among others by (i) developing an in-depth knowledge of the business being served, (ii) understanding and questioning the plan's assumptions, and reaching an independent judgment as to the probability that the plan can be realized; and (iii) monitoring corporate performance against the strategic targets and business plan.

(v) financials:

- review, approve and monitor bpost's financial objectives.

(vi) delegation of powers:

- decide on the principles of delegation of powers within bpost and on any delegation of powers to the CEO and the members of the Group Executive Committee.

#### 4.1.3 Information to the Board

The Board takes the necessary measures in order to be informed on a regular basis on:

- the progress towards the implementation of the business plan through, *inter alia*, quarterly management reporting on the business and financial aspects of the implementation; and
- key business developments and key decisions of the CEO through monthly unaudited comparative income and cash-flow statements prepared in accordance with IFRS, together with a management discussion and analysis of such developments and decisions.

#### 4.1.4 Evaluation

The Board has more in particular, among others, the following tasks and responsibilities:

- assess at least every three years its own performance and its interaction with the members of the Group Executive Committee; and
- assess at least every three years its size, composition, functioning and that of the Board committees.

## 4.2 COMPOSITION OF THE BOARD

### 4.2.1 General

The Board consists of up to 12 directors, including the CEO, appointed and dismissed as described in articles 13 *et seq.* of the Articles of Association.

bpost complies with gender representation requirements set forth in article 7:86 of the Companies Code and in article 18, §2*bis* of the 1991 Law, the language parity requirements set forth in article 16 and article 20, §2 of the 1991 Law and the provisions on incompatibilities set forth in article 4.2.2 of the Corporate Governance Charter. The Board takes these provisions into account when considering proposals for nomination or when expected to nominate a candidate for appointment or election.

Decisions are taken in bpost's interest and the executive, non-executive and independent directors of the Board have the necessary competences, experience and expertise to fulfil their responsibilities. The Board competency profile is attached hereto as Annex 1.

#### 4.2.2 Incompatibilities

§1. In accordance with article 22 of the 1991 Law, the director's mandate is incompatible with the mandate or function of:

1. member of the European Parliament or the European Commission;
2. member of the Belgian federal Parliament;
3. Minister or State Secretary in the Belgian federal Government;
4. member of the Parliament or Government of a Belgian Community or Region;
5. governor of a province or member of the governmental body of a provincial council;
6. member of the personnel of bpost, save for the chief executive officer and, as the case may be, the other members of the management committee.

§2. Except as otherwise provided by the 1991 Law, the mandate of a director appointed upon nomination by the public institutions in accordance with article 14, §2 of the Articles of Association, is also incompatible with the exercise of any function:

1. in the Belgian Institute for Postal services and Telecommunications ("*Belgisch instituut voor postdiensten en telecommunicatie*" / "*Institut belge des services postaux et des télécommunications*");
2. in a private or public institution that provides delivery services or post order sale or that offers postal services;
3. in a private or public credit institution that is subject to the supervision of the National Bank of Belgium ("*Nationale Bank van België*" / "*Banque nationale de Belgique*") or the European Central Bank, or in a commercial company, in a company in the form of a commercial company or in an institution (other than Belgian public institutions or entities within the meaning of article 42 of the 1991 Law) that directly or indirectly owns 25% of the capital of such credit institution.

§3. Without prejudice to §§1 to 2, a candidate cannot be appointed member of the Board if he/she has an actual and continued conflict of interest, in any capacity whatsoever, with bpost or one of its subsidiaries that cannot be remedied before his/her appointment as director.

A mandate as director or any other function held by a prospective director at one of the shareholders of the company or at an affiliate of a shareholder of the company does not raise a conflict of interest within the meaning of this §3.

#### 4.2.3 Appointment

Members of the Board are appointed by the Shareholders' Meeting by a simple majority.

Shareholders wishing to nominate candidates (otherwise than pursuant to the nomination right described in article 4.2.4 below) first submit their proposed candidates to the Remuneration and Nomination Committee that, together with its recommendation on such candidates, submits the proposed candidates to the Board.

When nominating candidates for a Board mandate, shareholders should take into account the Board competency profile attached as Annex 1.

The Board only nominates candidates for appointment by the Shareholders' Meeting, who have been nominated by the Remuneration and Nomination Committee.

The Chairperson of the Board makes sure that, before considering a candidate, the Board has sufficient information about the candidate, such as a *curriculum vitae*, an evaluation of the candidate based on a preliminary interview, a list of the positions that the candidate has held and holds and, when the candidate is nominated to be elected as an independent director, any other information that is needed to assess the candidate's independence.

#### 4.2.4 Nomination right for shareholders

In accordance with article 14, §2 of the Articles of Association, each shareholder holding at least 15% of the bpost's shares has the right to nominate directors for appointment *pro rata* its shareholding.

Any such nomination is submitted to the Remuneration and Nomination Committee that, together with its recommendation on the candidates, submits the proposed candidates to the Board.

When nominating candidates for a Board mandate, shareholders should take into account the Board competency profile attached as [Annex 1](#).

The number of directors for which a shareholder can nominate candidates pursuant to this nomination right (if any), is calculated on January 1<sup>st</sup> of any given year during which vacancies need to be filled. Current Board mandates for which such shareholder has exercised its nomination right are deducted from such number. The result of the *pro rata* calculation is always rounded down to the next full number.

E.g.: a shareholder holding 20% of bpost's capital on January 1<sup>st</sup>, is entitled to nominate two directors ( $12 \text{ directors} / 5 = 2.4$ , rounded down). If at that time the shareholder already has a nominee in the Board, appointed upon nomination of such shareholder, only one new director is to be nominated.

For the avoidance of doubt, changes to the shareholder structure between January 1<sup>st</sup> and the date of the concerned Shareholders' Meeting are not taken into account for the calculation of the number of Board mandates for which a shareholder may exercise its nomination right.

If there are not enough vacant director mandates for the reason that the Board must at all times count at least three independent directors, the number of directors that each shareholder is entitled to nominate is decreased, *pro rata* the available vacant positions to be filled. The result of such *pro rata* calculation is always rounded down to the next full number.

For the purposes of the nomination right, shares held by a shareholder and by companies directly controlled by it (within the meaning of article 1:14 of the Companies Code) are aggregated.

#### 4.2.5 Directors appointed upon nomination by the public institutions

Among the directors appointed upon nomination by the public institutions pursuant to article 14, §2 of the Articles of Association, there must be the same number of Dutch-speaking and French-speaking directors, with the possible exception of the chairperson of the Board.

At least one third of the directors appointed upon nomination by the public institutions pursuant to article 14, §2 of the Articles of Association must be of a different gender than the other directors nominated in accordance with the same provision.



#### 4.2.6 Independent directors

At least half of the directors must meet the general independence criteria laid down in article 7:87 of the Companies Code and the specific independence criteria laid down in article 3.5 of the Corporate Governance Code, as set out below:

- (i) not be an executive member of the Board, or exercise a function as a member of the 1991 Law Committee or of the Group Executive Committee, or as a person entrusted with the daily management of bpost or an affiliate or related person (as defined in article 1:20 of the Companies Code), and not have been in such a position for the previous three years prior to the appointment – alternatively, no longer enjoying stock options of bpost related to this position;
- (ii) not have served for a total term of more than twelve years as a non-executive member of the Board;
- (iii) not be or have been a senior management employee (as defined in article 19, 2° of the Law of September 20, 1948 on the organisation of the business industry (“*houdende organisatie van het bedrijfsleven*” / “*portant organisation de l’économie*”) of bpost or an affiliate or related person during a period of three years prior to the appointment – alternatively, no longer enjoying stock options of bpost related to this position;
- (iv) not be receiving or have received during their mandate or for a period of three years prior to their appointment, any significant remuneration or other significant advantage of a patrimonial nature from bpost or an affiliate or related person, apart from any fee he/she receives or has received as non-executive director,
- (v) (a) not hold shares, either directly or indirectly, either alone or in concert, representing globally 10% or more of bpost’s capital or of bpost’s voting rights at the moment of the appointment;  
(b) not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under (a).
- (vi) not maintain or have maintained in the past year prior to the appointment, a significant business relationship with bpost or an affiliate or related person, either directly or as partner, shareholder, member of the board, member of senior management (as defined in article 19, 2° of the Law of September 20, 1948 on the organisation of the business industry) of a company or person who maintains such a relationship;
- (vii) not be or have been within the last three years prior to the appointment, a partner or member of the audit team of bpost or person who is, or has been within the last three years prior to the appointment, the external auditor of bpost or an affiliate or related person;
- (viii) not be an executive member of the board of another company in which an executive director of bpost has a seat as non-executive member of the board and not have other significant links with executive directors of bpost through involvement in other companies or bodies;
- (ix) not have close family members (*i.e.*, spouse, legal partner or a family member to the second degree) who are executive or non-executive directors or members of the 1991 Law Committee or of the Group Executive Committee, or person entrusted with the daily management or a senior management employee (as defined in article 19, 2° of the Law of September 20, 1948 on the organisation of the business industry) of bpost or an affiliate or related person or person falling under the provisions (i) to (viii) above (and

as far as point (ii) is concerned, up to three years after the date on which the relevant relative has terminated their last term).

Vacancies to be filled by candidate-directors, who are not appointed upon nomination by a shareholder pursuant to article 14, §2 of the Articles of Association, have to be filled by independent directors.

As an executive director, the CEO always qualifies as a non-independent director.

Directors appointed upon nomination by a shareholder pursuant to article 14, §2 of the Articles of Association may be independent, provided they fulfill the general independence criterion laid down in article 7:87 of the Companies Code and the specific independence criteria laid down in article 4.2.6 of this Charter, but do not have to be independent.

Any independent director who no longer satisfies the independence criteria must immediately inform the Board thereto through its Chairperson. Such director is expected to resign from his/her office within one month of that independent status being lost.

#### 4.2.7 Mandate terms

Directors, excluding the CEO, are appointed for a renewable period of maximum four years, to the extent that the total term of their mandate does not exceed twelve years.

#### 4.2.8 Vacancy of a director's mandate

Should any of the mandates of director become vacant, the remaining directors shall have the right, in accordance with article 17 of the Articles of Association, to temporarily fill such vacancy until a final appointment takes place in accordance with article 14 of the Articles of Association. The candidate for the vacant mandate is co-opted by the Board upon recommendation by the Remuneration and Nomination Committee.

#### 4.2.9 Chairperson

The chairperson of the Board (the "**Chairperson**") is appointed and, as the case may be, removed from his/her chairmanship, in accordance with article 16 of the Articles of Association.

The Chairperson is responsible for the leadership of the Board. The Chairperson takes the measures required to create a climate of trust within the Board, which contributes to an open discussion, constructive criticism and support for the decisions of the Board. He/she ensures that the Board functions effectively and in line with the Articles of Association and the Corporate Governance Charter.

In particular, the Chairperson:

- coordinates the processes that govern the appointment or re-election of the members of the Board and Board committees;
- plans the Board meetings. He/she draws up, in consultation with the CEO and assisted by the Company Secretary, the calendar and the agenda of Board and committee meetings. The Chairperson is consulted reasonably in advance on all matters which the CEO wishes to submit to the Board;
- prepares, chairs and leads the Board meetings and ensures that the procedures relating to the preparation, the deliberations, the approval of resolutions and the implementation of decisions run smoothly. The Chairperson ensures that the directors receive clear, timely, accurate information before the meetings to allow recipients enough time to review them and that all members of the Board receive the same information;

- oversees and ensures the quality of continuous interaction and dialogue at Board level;
- is responsible for providing the appropriate induction for newly appointed directors to ensure their swift contribution to the Board;
- chairs and leads the general meetings of shareholders and ensures that they are conducted efficiently;
- chairs the meetings of the *Commission Paritaire/Paritair Comité*;
- represents and safeguards, in consultation with the CEO, the interests of bpost by maintaining contact with external constituencies and participating in external policy forums; and
- is consulted at an early stage on strategic initiatives of the CEO, the 1991 Law Committee and the Group Executive Committee.

#### 4.2.10 Company Secretary

The company secretary is appointed by the Board and advises the Board on all governance matters (the “**Company Secretary**”). He/she assists and advises the Board and the Board committees in exercising their general and specific roles and duties.

The core responsibilities of the Company Secretary include:

- ensuring that the corporate bodies comply with their requirements under the law, the Articles of Association and the Corporate Governance Charter, and reporting regularly to the Board on this matter;
- implementing the delegation of authorities decided by the Board and assisting the group with regard to the compliance with such delegation;
- preparing the Corporate Governance Charter and the corporate governance statement;
- organising the Shareholders’ Meetings and assisting the Board and Board committees in the organisation of their meetings, including assisting the Chairperson and the chairpersons the board committees in the preparation of the agendas, coordination of the meetings and sending out the notices;
- acting as secretary of the Board, the Board committees and the Shareholders’ Meetings, preparing the minutes and maintaining the company books and records;
- facilitating the induction and assisting with the professional development of the Board members.

#### 4.2.11 Other participants

In principle, only Board members and the Company Secretary are authorised to attend and participate in Board meetings.

Other participants may be invited by the Chairperson or the CEO to attend (without the right to vote) a particular Board meeting on specific items on the agenda if this is useful in view of his/her expertise in respect of such items on the agenda.

#### 4.2.12 Other mandates and functions

Board members are allowed to serve on the boards of other companies, and to take up other mandates or functions provided that (i) the provisions of article 4.2.6 of the Corporate Governance Charter are complied with, (ii) such mandates or functions do not interfere with the Board member’s ability to fulfil his or her duties as a bpost

Board member and (iii) they do not take on more than five directorships in listed companies (including their mandate as bpost Board member).

Changes in other mandates or functions of Board members shall be reported to the Chairperson if and when they occur.

Any director, including the CEO, who is appointed for a new external mandate must inform the Remuneration and Nomination Committee. Any new external mandate that the CEO wishes to fulfill is subject to prior approval of the Board acting upon recommendation of the Remuneration and Nomination Committee.

### **4.3 FUNCTIONING OF THE BOARD**

#### **4.3.1 Meetings**

The Board of Directors meets whenever the interests of the company so requires or at the request of at least two directors and in any event not less than five times a year.

The non-executive directors meet at least once a year in the absence of the CEO.

The meetings are held at the day, hour and place mentioned in the convocation. In principle, the meetings are held at the registered office of bpost.

Board members are expected to attend meetings regularly and in person, and to devote the necessary time to fulfil their responsibilities. If and when required, members can attend a meeting by video/phone conference or other means of communication which enables all persons participating in such meeting to hear each other in real time. Attendance in person should be preferred and attendance through other means of communication should remain the exception.

The meetings of the Board are presided by the Chairperson. If the Chairperson is prevented from attending a meeting, the Board is presided by the eldest of the directors present, as provided for in article 19, §2 of the Articles of Association.

Management presentations to the Board are generally made by the CEO, who can be assisted by other members of the Group Executive Committee or other senior officers, if necessary and at the discretion of the CEO. The Board can also require the Chief Financial Officer or other members of the Group Executive Committee to be heard.

A director can be represented at the meeting by another director by means of a power of attorney made in writing (email, letter, courier, fax). A director cannot hold more than two powers of attorney.

Directors represented at a meeting by another director will not be granted any attendance fee.

#### **4.3.2 Convocations**

Board meetings are convened by the Chairperson or the CEO or at the request of at least two directors.

Convocations are made in writing (email, letter, courier or fax) at least two business days prior to the Board meeting. The convocation period can be shortened in the case of urgency but should not be less than 24 hours prior to the Board meeting, save in the cases of extreme urgency where the corporate interest justifies a shorter notice. The urgency must be justified in the convocation or in the minutes of the meeting if not all directors attended the meeting.

Each director may waive the convocation requirement. Directors who are present or represented at a meeting are deemed to have waived the convening formalities and deadlines.

The convocations contain the agenda of the meeting in sufficient detail. In principle, available (draft) documents that are placed on the agenda and accompanying documents and advice will be sent to the Board members simultaneously with the convocation.

The convocations must contain a complete Board file, including proposed Board resolutions.

#### 4.3.3 Quorum and majority requirements

The quorum and majority requirements in respect of the Board meetings are provided in articles 21 and 22 of the Articles of Association.

Decisions of strategic importance, including the adoption of the business plan and the annual budget and decisions regarding strategic acquisitions, alliances and divestitures, must be prepared by a standing or an *ad hoc* Board committee. For any such decisions, the Board shall strive to achieve broad support across its various constituencies, it being understood that, following appropriate dialogue and consultations, the Chairperson may call for a decision and the proposal shall carry if adopted by a majority of the votes cast.

The Board resolutions may be approved by unanimous written consent of all directors.

#### 4.3.4 Minutes

Minutes are taken at every Board meeting. They contain a summary of the deliberations, specify the decisions that are taken and mention any abstaining or reservation of any director.

The minutes of a meeting are prepared and circulated to the Board members within fifteen calendar days following the date of the Board meeting. If a Board member wishes to have certain changes made to the minutes, he/she can request so within ten calendar days following receipt of the draft minutes.

The minutes are finally approved at the subsequent Board meeting and signed by the Chairperson, the Company Secretary and any directors who requests to do so.

In order to facilitate the drafting of the minutes, Board meetings may be recorded provided that any recordings or tapes will be destroyed under the responsibility of the Company Secretary upon approval of the minutes of such meetings.

### 4.4 ACCESS TO ADVISORS

The Board and the Board committees may call on external independent advisers, experts, consultants and other Board members, at bpost's expense, if required for the performance of their tasks. The Chairperson, assisted by the Company Secretary, is entrusted with the coordination thereof with a view to ensuring cost efficiency and avoiding duplication of efforts.

### 4.5 EVALUATION

Under the lead of the Chairperson, the Board shall regularly evaluate its scope, composition, performance and that of its committees, as well as the interaction with the Group Executive Committee.

As the case may be, the Chairperson shall propose the necessary measures to remedy any weaknesses of the Board or its committees.

At the end of each Board member's term, the Remuneration and Nomination Committee evaluates the Board member's presence at the Board or committee meetings, his/her commitment and his/her constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure.

## 4.6 CONDUCT OF THE DIRECTORS

### 4.6.1 Independence

Each Board member is required:

- to be guided exclusively by the overall goal of the bpost Board which is to pursue the long-term success of bpost and to ensure that all decisions are taken in the corporate interest of bpost;
- to maintain in all circumstances his independence of judgment, decision and action.

### 4.6.2 Conflicts of interest

- (i) All Board members are expected to avoid any action, position or interest that conflicts or appears to conflict with an interest of bpost or any of its subsidiaries. In particular, each Board member should be attentive to conflicts of interests that may arise between bpost, its Board members, its significant or controlling shareholder(s) and other shareholders.

Before accepting their appointment to the Board, prospective directors should satisfy themselves that they and their respective relatives (including spouse or other life companion, relatives by blood or marriage up to the second degree and foster children) do not have any personal, professional or financial interest in bpost that puts them in a position of continuous or recurring conflict of interest with bpost. If such a situation arises after the appointment, the Board will evaluate the matter and may recommend to the shareholder or shareholders who nominated or proposed the relevant director that they take all required actions so that he or she can be replaced.

A prospective director is not considered to have a conflict of interest within the meaning of this section 4.6.2 merely on the basis of a mandate as director or any other function held by him or her with one of the shareholders of bpost or a company affiliated with a shareholder of bpost.

Each Board member should arrange his or her personal and business affairs in such a way as to avoid any conflict of interest of a personal, professional or financial nature with bpost, directly or through relatives (as defined above).

- (ii) In the case a Board member, directly or indirectly, has a conflict of interest of a financial nature with a decision or a transaction that is within the competences of the Board, article 7:96 of the Companies Code shall apply. The Board member shall not participate in the discussion, nor vote on the matter. The minutes of the meeting of the Board must include the declarations of the director with the conflicting interest as well as a description by the Board of the conflicting interest and the nature of the decision or the transaction involved. Furthermore, the minutes must include a justification of the decision or transaction by the Board and a description of the financial consequences for bpost. Excerpt of the Board minutes must be included in the annual report. The Board member with the conflicting interest must also inform the Joint Auditors of the conflict. The Joint Auditors must describe in their annual report the financial consequences of the decision that gave rise to the conflicting interest.
- (iii) Transactions and/or business relationships between directors and bpost or one or more of its affiliated companies, which do not strictly fall under the application of article 7:96 of the Companies Code, should always take place at the normal market conditions. The director concerned should inform the Chairperson in advance of such transactions.

- (iv) The procedures set forth in article 7:97 of the Companies Code shall be observed, for any decisions regarding the management contract or other agreements with the Belgian state or other public institutions (other than those within the scope of article 7:97, §1, section 3).

#### **4.6.3 Transactions in shares of bpost**

The directors shall fully comply with the bpost Dealing and Disclosure Code.

#### **4.6.4 Service arrangements**

Non-executive Board members are not permitted to enter, either directly or indirectly, into supply agreements with bpost or any of its subsidiaries for the provision of paid services or goods, unless explicitly authorised by the Board.

Any service offered by bpost or any of its subsidiaries to Board members is exclusively rendered under commercial conditions in conformity with the prevailing market conditions.

#### **4.6.5 Interaction with management**

Board members may contact managers of bpost subject to the following guidelines.

On the initiative of the Chairperson or the CEO, Board members can be asked to give their advice on specific business-management issues and to contact the manager(s) concerned.

The Chairperson is responsible for ensuring that the directors receive accurate, timely and clear information. Management has an obligation to provide such information, but directors should seek clarification or amplification where necessary.

Board members are asked to consult the CEO prior to contacts with management and to use their judgment to ensure that these contacts do not detract the members of the management from business operations and management responsibilities.

#### **4.6.6 Interaction with third parties**

Directors may, at the request of the Chairperson or the CEO, or in consultation with them, participate in communication activities undertaken by bpost. In particular, Board members are expected to support, in the private and public spheres, the position of the Board with regard to the bpost strategy, policies and actions.

#### **4.6.7 Confidentiality**

In order to facilitate open discussions in Board meetings, the directors and the Company Secretary undertake to maintain the confidentiality of information and deliberations, in accordance with and subject to legal requirements.

## **5 EXECUTIVE MANAGEMENT**

### **5.1 CHIEF EXECUTIVE OFFICER (CEO)**

The Board appoints and removes the CEO, upon proposal of the Remuneration and Nomination Committee. The CEO is appointed for a renewable term of maximum six years.

The CEO is vested with (i) the day-to-day management of bpost and the representation of the company in respect of such management, (ii) the execution of the resolutions of the Board and (iii) the special powers delegated to him or her by the Board in accordance with article 18, §2 of the Articles of Association.

The CEO reports regularly to the Board.

Within the limits of the powers granted to him or her by or pursuant to the Articles of Association, the CEO may delegate special and limited powers to any person, with faculty

of sub-delegation, unless otherwise provided. The CEO informs the Board of the powers which are delegated by him/her.

## **5.2 GROUP EXECUTIVE COMMITTEE**

The operational management of bpost is ensured by the Group Executive Committee (the “**Group Executive Committee**”) under the leadership of the CEO. The Group Executive Committee consists of maximum nine members, who are appointed (for the duration determined by the Board) and removed by the Board, upon proposal of the CEO and after having received the advice of the Remuneration and Nomination Committee.

The Group Executive Committee convenes regularly at the invitation of the CEO. The Group Executive Committee is assisted by the Group Executive Committee Secretary.

The individual members of the Group Executive Committee exercise the special powers delegated to them by the Board or the CEO, as the case may be. Within the limits of these powers, the members of the Group Executive Committee may assign to one or more members of bpost staff special and limited powers. The Group Executive Committee members may allow sub-delegation of these powers.

## **5.3 1991 LAW COMMITTEE**

The 1991 Law contains several provisions detailing the composition, appointment and functioning of a 1991 law committee (the “**1991 Law Committee**”).

The 1991 Law Committee is currently composed of the CEO, who chairs the 1991 Law Committee, and two other members (one Dutch-speaking and one French-speaking member).

Upon proposal of the CEO and after having received the advice of the Remuneration and Nomination Committee, the Board shall appoint and remove the members of the 1991 Law Committee.

The 1991 Law Committee acts as a collegial body and convenes at the invitation of the CEO. The 1991 Law Committee decides with a simple majority of the votes cast.

The 1991 Law Committee exercises the duties assigned to it by the 1991 Law. In accordance with article 4, §2 of the 1991 Law, the 1991 Law Committee represents bpost, as a collegial body, in the negotiation on renewals or amendments to the management contract between the Belgian state and bpost, it being understood that the Board decides on its approval.

## **6 BOARD COMMITTEES**

### **6.1 GENERAL**

The Board is assisted by four committees, *i.e.* the Strategic Committee, the Audit & Risk Committee, the Remuneration and Nomination Committee and the ESG Committee.

The terms of reference of these committees are set out hereinafter. Each committee should regularly (at least every three years) review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The appointment of committee members is based on (i) their specific competences and experience, in addition to the general competence requirements for Board members and (ii) the requirement that each committee has the competencies and experience to perform its tasks. The duration of the appointment of a committee member may not exceed the duration of its directorship.

### **6.2 ROLE AND COMPOSITION OF THE COMMITTEES**

#### **6.2.1 Strategic Committee**

- (i) Role and responsibilities



In accordance with article 18, §3 of the Articles of Association, the Board has decided to set up a strategic committee (the “**Strategic Committee**”). The Strategic Committee advises the Board on strategic matters and it in particular:

- regularly reviews industry, competitive and market developments against the objectives and strategies of bpost and its subsidiaries and recommends corrective actions if required;
- assist and provide guidance to management in the preparation of strategic files for review by, and related discussions of, the Board. This includes without limitations: the elaboration of strategic options and scenarios, definition of vision, mission & strategies, definition of value propositions, elaboration of strategic canvas to monitor execution of the long term strategy through strategic objectives, milestone plans and targets, business, and implementation planning files in general;
- reviews strategic transactions or initiatives proposed by the Board, CEO or Group Executive Committee, including acquisitions and divestitures, strategic alliances or any longer-term cooperation agreements, and the entry into new markets or geographic areas;
- monitors the progress of strategic projects and initiatives and of the business plan in line with the company’s progress against strategic objectives, using predefined and agreed Key Performance Indicators (KPIs) and provide feedback and recommendations to the Board on the results and on corrective actions if required;
- reviews the results of strategic transactions (e.g., acquisitions, mergers, disposals) against the foreseen value of the transaction to the company and recommends action to the Board as required;
- makes reports to the Board on its activities including an annual review of the performance of the committee and any recommendations for changes in the scope of its duties, composition and working practices.

The Strategic Committee meets sufficiently in advance of the Board meetings so as to allow the Strategic Committee’s members to make sound recommendations to the Board. It meets minimum four times per year.

(ii) Composition

The Strategic Committee consists of maximum six directors.

The Strategic Committee’s Chairperson is designated by the Strategic Committee’s members.

In carrying out its responsibilities, the Strategic Committee draws on the expertise of its members and the members of the Board and Group Executive Committee. When required or necessary, the Strategic Committee hires outside advisors or experts with the help of the Group Executive Committee.

6.2.2 Audit & Risk Committee

(i) Role and responsibilities

In accordance with article 18, §3 of the Articles of Association, the Board has set up an audit & risk committee (the “**Audit & Risk Committee**”).

The Audit & Risk Committee advises the Board on accounting, audit and internal control matters, and is in particular in charge of:

- monitoring the integrity of bpost's financial statements and bpost's accounting and financial reporting processes and financial statements audits as well as bpost's budget;
- monitoring and overseeing the effectiveness of bpost's internal control and risk management framework;
- monitoring the internal audit function and its effectiveness;
- monitoring the performance of the Joint Auditors and the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the Joint Auditors;
- reviewing and monitoring the independence of the Joint Auditors, especially in view of the provisions of the Companies Code;
- proposing candidates to the Board for the two Auditors to be appointed by the shareholders' meeting;
- informing the Board on the results of the statutory audit and the performance of its tasks;
- appointing, dismissing, replacing, and annually evaluating the performance of the Chief Audit Officer;
- addressing risk management and governance within bpost, notably in light of the company's strategy and fostering an appropriate risk culture;
- approving and reviewing the bpost risk management policy and process aiming at identifying, managing and monitoring critical risks and following the implementation of such policy and process;
- closely following the process for risk identification within bpost and overseeing the risk exposure of the company: this includes developing a view into critical risks and exposures and management's strategy for addressing them;
- regularly advising and reporting to the Board on risk strategy and risk exposure and informing the Board of the implementation of the risk management policy and process;
- reviews risks and opportunities of the strategy as identified by the company's strategic risk assessment and other key factors, such as: relevant industry trends and changes, emerging or evolving competitive activity, governmental or legislative developments, the company's performance against the financial targets agreed by the Board and communicated to the shareholders.

The Audit & Risk Committee meets sufficiently in advance of the Board meetings so as to allow the Audit & Risk Committee's members to make sound recommendations to the Board. It meets at least four times a year.

At least twice a year, the Audit & Risk Committee meets the external and internal auditors to discuss matters relating to its terms of reference and any issues arising from the audit process, and in particular any material weaknesses in the internal control.

When the financial performance of bpost is on the agenda of the Audit & Risk Committee, any bpost director may express its interest in attending the Audit & Risk Committee and a short version of the Audit & Risk Committee presentation on this matter shall be presented to the next Board meeting.

(ii) Composition

The Audit & Risk Committee consists of maximum five non-executive directors, with at least one independent director.

The Audit & Risk Committee's Chairperson is designated by the Audit & Risk Committee's members.

Collectively, Audit & Risk Committee's members have sufficient relevant expertise to fulfil their roles effectively, notably in financial matters. Furthermore, at least one of its members shall have relevant accounting and/or auditing expertise.

6.2.3 Remuneration and Nomination Committee

(i) Role and responsibilities

In accordance with article 18, §3 of the Articles of Association, the Board has set up a remuneration and nomination committee (the "**Remuneration and Nomination Committee**").

The Remuneration and Nomination Committee advises the Board principally on matters regarding the nomination and remuneration of Board members, CEO and Group Executive Committee members, and shall in particular:

- identify and nominate Board candidates to fill vacancies as they arise, thereby considering proposals made by relevant parties, including shareholders;
- nominate for appointment candidates for the Board to be appointed (whether or not in application of the nomination right set forth in article 14, §2 of the Articles of Association);
- advise the Board on the appointment of the Chairperson of the Board;
- advise the Board on the appointment of the CEO and on the CEO's proposals for the appointment of other members of the Group Executive Committee;
- advise the Board on the remuneration of the CEO and the other members of the Group Executive Committee, including arrangements on early termination;
- review the remuneration (long term share-based or cash-based, and short-term incentive schemes) of the directors, members of the Group Executive Committee and employees;
- establish performance targets and conduct performance reviews for the CEO and other members of the Group Executive Committee;
- advise the Board on the remuneration of the Board members;
- advise the Board on talent management and diversity & inclusiveness policy;
- prepare and submit the remuneration report to the Board;
- advise the Board on the remuneration policy to be submitted, as the case may be, to the Shareholders' Meeting;
- lead the process for succession planning for Board and Group Executive Committee members taking into account the challenges and opportunities facing bpost, the skills and expertise needed in each position and the appropriate balance of skills, knowledge, experience and diversity to be maintained on the Board and its committees;

- explain the remuneration report at the annual Shareholders' Meeting.

The Remuneration and Nomination Committee meets sufficiently in advance of the Board meetings so as to allow the Remuneration and Nomination Committee's members to make sound recommendations to the Board. It meets at least twice a year.

(ii) Composition

The Remuneration and Nomination Committee consists of minimum three and maximum five non-executive directors, with at all times a majority of independent directors.

The Remuneration and Nomination Committee's Chairperson is designated by the Remuneration and Nomination Committee's members amongst its members.

Collectively, Remuneration and Nomination Committee's members have sufficient relevant expertise with regard to remuneration policies to fulfil their roles effectively.

#### 6.2.4 ESG Committee

(i) Role and responsibilities

In accordance with article 18, §3 of the Articles of Association, the Board has set up an environmental, social and governance committee (the "**ESG Committee**").

The ESG Committee advises the Board principally on matters regarding the bpost ESG strategy and activities, including the preparation and implementation of ESG initiatives and supporting the group in developing a position as a global leader in ESG performance.

The ESG Committee may further specify its role and responsibilities and submit it to the approval of the Board.

(ii) Composition

The ESG Committee consists of maximum six directors.

The ESG Committee's Chairperson is designated by the ESG Committee's members.

In carrying out its responsibilities, the ESG Committee draws on the expertise of its members and the members of the Board and Group Executive Committee. When required or useful, the ESG Committee may hire external advisors or experts.

### 6.3 FUNCTIONING OF THE COMMITTEES

#### 6.3.1 Meetings

Meetings may be called when a recommendation or a decision is to be made that falls within the competence of the committee.

Meetings are held at the place and on the day and time indicated in the convocation notice. In principle, the meetings are held at bpost's registered office.

Committee members are expected to attend meetings regularly and in person, and to devote the necessary time to fulfil their responsibilities. If and when required, members can attend a meeting by phone conference or other means of communication.

Management presentations to the committee are generally made by the CEO, who can be assisted by other members of the Group Executive Committee or senior officers, if necessary and at the discretion of the CEO.

A member can be represented at the meeting by another committee member by means of a power of attorney made in writing (email, letter, courier, fax). A member cannot hold more than one power of attorney.

The chairperson of the committee is responsible for ensuring that its committee functions effectively and in line with the Articles of Association and the Corporate Governance Charter.

The chairperson of the committee prepares, chairs and leads the committee meetings and ensures that they are conducted efficiently. The chairperson of the committee ensures that written materials are distributed well in advance to allow recipients enough time to review them.

The chairperson of the committee ensures that all members of the committee receive the same information.

The Company Secretary assists in the organisation of the committee meetings. He/she acts as secretary of the committees and prepares the report and minutes on the findings and recommendations of the meeting.

In principle, only the committee members and the Company Secretary are authorised to attend and participate in committee meetings.

It is standard practice that the chairperson of the committee invites the CEO to attend committee meetings, except for matters for which **there is a direct** personal conflict of interest. Other non-committee members may be invited by the chairperson of the committee to attend (without the right to vote) a particular committee meeting on specific items on the agenda if this is useful in view of his/her expertise in respect of such items on the agenda of the committee.

### 6.3.2 Convocations

Committee meetings are convened by the chairperson of the committee or the CEO, or at the request of two members of the committee.

Convocations are made in writing (email, letter, courier, fax) or through any other means of communication that leaves a trace at least seven calendar days prior to the meeting, save in the case of urgency warranting a shorter notice period (whereby such urgency must be justified in the convocation).

Members may waive the benefit of the convocations. In any event, members who are present or represented at a meeting are considered to have been validly convened for the meeting and to have waived the convocation requirement.

The convocations contain the agenda of the meeting in sufficient detail. In principle, available (draft) documents that are placed on the agenda and accompanying documents and advice will be sent to the members simultaneously with the convocation.

The convocations must contain a complete committee file.

The Chairperson of the Board is informed of every committee meeting and receives a copy of the agenda of every meeting.

### 6.3.3 Quorum

For a committee meeting to be valid, at least half of the members must be present.

This special quorum requirement shall however not apply when an unforeseen emergency arises that makes it necessary for the committee to take action that would otherwise become time-barred by law or in order to avoid imminent harm to bpost.

#### 6.3.4 Majority requirement

All recommendations and decisions of the committees are adopted by a majority of the votes cast.

#### 6.3.5 Minutes

Minutes are taken at every committee meeting. They contain a summary of the deliberations, specify the decisions that are taken (*i.e.* the recommendations to the Board) and mention any abstaining or reservation of any committee member.

The minutes of a meeting are prepared and circulated to the committee members within fifteen calendar days following the date of the meeting. If a committee member wishes to have certain changes made to the minutes, he/she can request so within ten calendar days following receipt of the draft minutes. In exceptional, duly substantiated circumstances, the timing can be extended with maximum two days. In the absence of any comment by any committee member within this period of ten, or, as the case may be, twelve calendar days, the minutes are deemed to be approved by all committee members.

In the case of comments, the amended minutes will be re-circulated for approval within three calendar days following the date on which the comments were received.

The minutes are signed by the chairperson of the committee, the Company Secretary and any committee members who requests to do so.

In order to facilitate the drafting of the minutes, committee meetings may be recorded provided that any recordings or tapes will be destroyed under the responsibility of the Company Secretary upon approval of the minutes of such meetings.

After each committee meeting, the Board receives a report from the committee on its findings and recommendations and oral feedback from each committee at the next Board meeting.

## 7 REMUNERATION POLICY<sup>4</sup>

Upon recommendation of the Remuneration and Nomination Committee, the Board drew up a remuneration policy designed to (i) attract, retain and motivate qualified and specialized individuals needed to achieve the company's strategic and operational goals, (ii) promote the achievement of strategic objectives in accordance with bpost's risk appetite and behavioural norms and (iii) promote sustainable value creation.

The remuneration policy covers the principles of the remuneration of (i) the Board members, (ii) the CEO and (iii) Group Executive Committee's members, taking into account the overall remuneration framework of the company.

The Board submits the remuneration policy to a vote by bpost's shareholders' meeting each time there is a material change and at least every four years. If the remuneration policy is not approved by the shareholders' meeting, the previously applied remuneration policy continues to apply and the Board will need to submit a revised remuneration policy to the next shareholders' meeting.

The remuneration policy and the result of the vote thereon of the shareholders' meeting are publicly available on the bpost website for the period during which the remuneration policy applies.

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<sup>4</sup> In accordance with the Belgian act of April 28, 2020 transposing the amended Shareholders' Rights Directive, the Board submitted, for the first time, the bpost remuneration policy to the Ordinary Shareholders' Meeting of May 12, 2021.

The bpost's annual report includes a separate Remuneration Report, providing information on the remuneration paid to the Board members, the CEO and the Group Executive Committee's members during the past financial year.

A. Non-executive Board members

The remuneration awarded to non-executive directors consists of two elements: (i) a monthly fixed cash remuneration and (ii) an attendance fee for each Board committee meetings attended.

B. CEO and Group Executive Committee members

The remuneration of the CEO and of the Group Executive Committee's members is approved by the Board upon recommendation of the Remuneration and Nomination Committee.

It is regularly reviewed on the basis of a benchmarking exercise covering the large Belgian companies so as to offer a total remuneration in accordance with the median on the reference market.

The remuneration package of the CEO and Group Executive Committee's members consists of: (i) a base remuneration, (ii) a variable remuneration based on corporate objectives and individual targets established in accordance with, and subject to, bpost's remuneration policy as adopted and amended by the Board, (iii) a pension contribution and (iv) various other benefits (such as insurance covering death-in-service and disability, medical insurance, representation fees, meal vouchers and a company car).

## **8 DIVIDEND POLICY**

The Board unanimously approved on December 1, 2020 the updated dividend policy consisting of a pay-out ratio between 30-50% of IFRS net profit.

The amount of any annual dividend and the determination of whether to pay dividends in any year may be affected by a number of factors, including bpost's business prospects, cash requirements and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations.

## **9 SHAREHOLDERS' MEETING**

bpost encourages its shareholders to participate in shareholders' meetings. In order to facilitate this, procedures are set forth in the Articles of Association to enable proxy voting and remote voting. Agendas, proxy forms, voting forms and all other relevant information are available on bpost's website prior to shareholders' meetings.

The below sections provide brief information on the shareholders' meetings, notices, attendance formalities, proxy voting and remote voting. More detailed information is set forth in the Articles of Association.

### **9.1 ANNUAL AND OTHER SHAREHOLDERS' MEETINGS**

bpost holds its annual shareholders' meeting on the second Wednesday of May at 10 am of each year. If such day is a legal public holiday, the meeting is held on the following working day. In accordance with Belgian law, at this meeting, the Board and the Joint Auditors provide reports concerning the financial statements of the previous fiscal year.

Shareholders vote on (i) the approval of the non-consolidated annual accounts (including the allocation of profits or losses), (ii) the appointment, as the case may be, of new directors or Joint Auditors, (iii) the release from liability of the directors and the Joint Auditors for the previous fiscal year and (iv) any other matter properly presented to the shareholders' meeting.

The Board and the Joint Auditors may convene a special or extraordinary shareholders' meeting at any time bpost's interests so require, which is typically in connection with necessary or appropriate changes to the Articles of Association of bpost. In accordance with the Companies Code, shareholders representing one-tenth of bpost's total issued share capital may also convene a special or extraordinary shareholders' meeting.

Normally, shareholders' meetings are chaired by the Chairperson of the Board.

## **9.2 SHAREHOLDERS' MEETING NOTICES**

Notices of all shareholders' meetings contain the agenda of the meeting and the Board's proposed decisions on the matters to be voted upon. The Board provides explanations of agenda items and Board's proposals, where appropriate through the reports and other formalities required by the Companies Code.

In accordance with the Companies Code, shareholders representing 3% of bpost's total issued share capital may request for items to be added to the agenda of the meeting and submit resolution proposals in relation to existing agenda items or new items to be added to the agenda. Such right shall not be available in relation to a second extraordinary shareholders' meeting that is convened for lack of a quorum at the first extraordinary shareholders' meeting.

The new agenda items and/or resolution proposals should be received by bpost sufficiently in advance to be included in the notices convening the meeting and, in any case, not later than the 22<sup>nd</sup> calendar day preceding the date of the shareholders' meeting. A revised agenda shall be published at the latest on the 15<sup>th</sup> calendar day preceding the date of the shareholders' meeting.

## **9.3 ATTENDANCE FORMALITIES**

To participate in a shareholders' meeting, shareholders must:

- (i) have the ownership of their shares recorded in their name, as at midnight (Belgian Time) on the 14<sup>th</sup> calendar day preceding the date of the shareholders' meeting (the "**record date**"):
  - through registration in the share register of the registered shares, for holders of registered shares; or
  - through book-entry in the accounts of an authorised account holder or clearing organisation, for holders of dematerialised shares.
- (ii) notify bpost at the latest on the 6<sup>th</sup> calendar day preceding the date of the shareholders' meeting of their intention to participate in the meeting.

In addition, holders of dematerialised shares must, at the latest on the 6<sup>th</sup> calendar day preceding the date of the shareholders' meeting, provide bpost with a certificate certifying the number of shares owned on the record date and for which they have notified their intention to participate in the meeting.

## **9.4 PROXIES**

Any shareholder may attend shareholders' meetings in person or be represented by a proxy. The proxy does not need to be a shareholder.

A shareholder may designate, for a given shareholders' meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders.



## 9.5 REMOTE VOTING AND PARTICIPATION

Any shareholder may vote remotely before or, as the case may be, may participate remotely in a given shareholders' meeting via the means made available by bpost in accordance with articles 31 and 32 of the Articles of Association.

## 9.6 QUESTIONS

The Chairperson of the shareholders' meeting shall lead the meeting in such a manner that there will be sufficient time to answer questions shareholders may have relating to the annual report, special reports and/or the items on the agenda.

## 9.7 QUORUM AND MAJORITY

The quorum and majority requirements applying in respect of the shareholders' meetings are provided in articles 33 and 34 of the Articles of Association.

## 9.8 MINUTES

Minutes of the meeting are drafted by the secretary to the meeting (who is, normally, the Company Secretary). The minutes (including the results of the votes) are posted on bpost's website as soon as possible after the meeting.

## 10 JOINT AUDITORS

The Joint Auditors audit bpost's financial condition as well as consolidated and unconsolidated financial statements. There are four Joint Auditors: (i) two Auditors appointed by the shareholders' meeting and (ii) two Auditors appointed by the Court of Audit, the Belgian institution responsible for the verification of public accounts (*Cour des Comptes/Rekenhof*). The Joint Auditors are appointed for renewable terms of three years. The Shareholders' Meeting determines the remuneration of the Joint Auditors.

The current bpost's Joint Auditors are:

- EY Réviseurs d'Entreprises–Bedrijfsrevisoren SRL/BV (“**EY**”), represented by Mr. Han Wevers (member of the *Institut de Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), De Kleetlaan 2, 1831 Diegem, Belgium;
- PVMD Réviseurs d'Entreprises- Bedrijfsrevisoren SC/CV (“**PVMD**”), represented by Mr. Alain Chaerels (member of the *Institut de Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), Avenue d'Argenteuil 51, 1410 Waterloo, Belgium;
- Mr. Philippe Roland, First President of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium; and
- Mrs. Hilde François, Chairperson of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium.

EY and PVMD are responsible for the audit of bpost's consolidated and unconsolidated financial statements.

## 11 SHAREHOLDING STRUCTURE

bpost's shares are registered or dematerialized. bpost's share capital is represented by 200,000,944 shares, admitted to trading on the regulated market of Euronext Brussels.

The shares are freely transferable, provided that, according to article 147*bis* of the 1991 Law, the direct participation of Public Institutions in the registered capital must exceed 50%.

The Belgian state, together with the *Société Fédérale de Participations et d'Investissement SA/Federale Participatie– en Investeringsmaatschappij NV* (“**SFPI/FPIM**”) together have a participation of 51.04% (respectively of 24.13% and 26.91%) of the shares with voting rights issued by bpost.

Each share entitles its holder to one vote, with the exception of restrictions on voting rights imposed by law or the Articles of Association.

## **12 CAPITAL**

In accordance with the 1991 Law, any increase of the share capital entailing the issuance of new shares, by virtue of a resolution of the shareholders' meeting or of the Board under the authorised capital, requires the prior approval by Royal Decree debated within the Council of Ministers.

bpost may issue convertible bonds or warrants whether or not attached to bonds, either pursuant to a resolution of the shareholders' meeting in accordance with the requirements for amendments to the articles of association, or pursuant to a resolution of the Board under the authorised capital (if available). Any such issuance requires the prior approval by Royal Decree debated within the Council of Ministers.

## **13 CODE OF CONDUCT**

bpost's Code of conduct sets out a set of basic principles describing the values and ethical standards for everybody working in the group and enables appropriate responses in the event that it is not followed.

These principles are reinforced by the relevant regulations, policies and procedures that are in place across bpost's businesses, affiliates and ventures, including bpost's Dealing and Disclosure Code (see Section 14 below) and Diversity Policy (see Section 15 below).

## **14 DEALING AND DISCLOSURE CODE**

bpost's Dealing and Disclosure Code applies to all bpost employees, officers, members of senior management and directors, as well as to the other persons and entities indicated therein.

The Dealing and Disclosure Code does not intend to replace the applicable laws prohibiting insider dealing and disclosure of price-sensitive information.

The purpose of the Dealing and Disclosure Code is to ensure that the aforementioned persons and entities do not abuse, nor place themselves under suspicion of abusing, and maintain the confidentiality of price sensitive information that they may have or may be thought to have, especially in periods leading up to an announcement of financial results or of price-sensitive events or decisions.

To this end, the Dealing and Disclosure Code sets out minimum standards to be followed. In particular, subject to special clearance that can only be granted in very limited circumstances, covered persons may not deal in bpost shares during a closed period or a prohibited period. A closed period is defined substantially as the period starting 30 days before publication of the annual, semi-annual or any IFRS 34 quarterly results or any quarterly trading update for bpost and ending one hour after publication of the annual, semi-annual or IFRS 34 quarterly results via a press release on bpost's website. A prohibited period is a period that bpost's Chief Legal Officer or the Board has determined is a sensitive period.

The following persons covered by the Dealing and Disclosure Code must, before dealing in bpost shares, obtain clearance: the Board members, the members of the Group Executive Committee, certain other senior employees as well as some other persons and entities indicated therein.

The Dealing and Disclosure Code provides that persons discharging managerial responsibilities (*i.e.* Board members, members of the Group Executive Committee and some other persons and entities indicated therein) are required to notify any transaction cleared under the Dealing and Disclosure Code to the FSMA in accordance with applicable Belgian regulations.

## **15 DIVERSITY POLICY**

bpost has designed a Diversity Policy (available on bpost's website) aimed at creating awareness about diversity and inclusion within the group. The purpose of this Diversity Policy is to support bpost employees and management in building a culture where diversity and inclusion are a daily practice.

More specifically, in the composition of the Board and the Group Executive Committee, special attention is paid to diversity in terms of criteria such as age, professional background, gender and geographic diversity. A description of this Diversity Policy, its objectives, how it has been implemented and the results in the reporting period is provided in the annual report.

## ANNEX 1 – BOARD COMPETENCY PROFILE

- Appointments to the Board shall be made on merit and on the basis of objective criteria. Directors should attain high standards of professional ability and judgment and should be committed, in conjunction with the other directors, to serving the long-term interests of bpost.
- Each director individually should have skills and experience that are complementary to the needs of bpost, and should bring to the Board an inquisitive and objective perspective which gives him/her the ability, if needed, to challenge the management. In addition, directors should update their skills and improve their knowledge of bpost to fulfil their role both on the Board and on Board committees.
- Directors should be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be in a position to serve on the Board for a material period of time. Each director shall adhere to the applicable company policies relating to integrity, ethics and business conduct as laid down in a code of conduct and compliance policy, established by the Board, as well as in similar company documents.
- Taken as a whole, the Board should be composed of persons to a certain extent complementing each other, and representing various areas of skill and expertise. Moreover, the Board's composition should reflect a reasonable diversity in gender and be in full compliance with the rules of the Articles of Association and this Charter on linguistic parity and on incompatibilities.

The different areas of skill and expertise to be represented in the Board are at least the following:

- Vision and strategy – having a long-term strategic vision which adds value and being capable of developing it;
  - Leadership and management ability – management experience at an executive level within a multinational group; being in a position to develop a complex organisation and to manage teams; a command of communication and human resources management;
  - Financial and accounting skills – thorough experience in the fields of finance and accounting, allowing a critical understanding of complex files relating to the activities of the group and constructively contributing to his or her analysis;
  - Knowledge of and experience with traditional postal services;
  - Knowledge of and experience with the operation of transport, logistics, fulfilment, warehousing, e-commerce and distribution services and the operation of a distribution network;
  - Knowledge of and experience with the operation of parcel services and of a parcel distribution network;
  - Knowledge of and experience with the operation of retail services and of a retail network;
  - Knowledge of and experience with the delivery of proximity and convenience services;
  - Knowledge of and experience with future-oriented competences in the digital, internet and innovation domains;
  - Knowledge of and experience with financial, banking and banking-related activities.
- Each director must have strong language skills, including also an excellent oral and written command of business English, which is the working language in the Board and Board committees.

- The Remuneration and Nomination Committee shall be responsible for reviewing with the Board, on a periodical basis, the requisite skills and characteristics of individual directors, as well as the composition of the Board as a whole, and for making appropriate recommendations to the Board. The Remuneration and Nomination Committee shall have due regard to the need for a balanced representation in the Board's overall composition, of persons having affinity with bpost's major service areas.
- For the avoidance of doubt, the members of the Board that qualify as independent directors in the sense of article 7:87 of the Companies Code and article 4.2.6 of this Corporate Governance Charter are also subject to the requirements of this Annex 1.

The independent directors need to be internationally recognized as business leaders.

The Board's fundamental objective with respect to independent directors is to identify qualified directors to serve on the Board whose independence is not compromised or impaired in fact or appearance, and who can exercise their best business judgment on behalf of all shareholders equally. Whenever an independent director ceases to comply with any of the objective requirements set forth in article 7:87 of the Companies Code and article 4.2.6 of this Corporate Governance Charter and this Annex 1 the director shall promptly notify the Board through its Chairperson.