

## CORPORATE GOVERNANCE STATEMENT

### The Belgian Corporate Governance Code

On 9 December 2004, the Corporate Governance Committee published the Belgian Corporate Governance Code. On 12 March 2009 an updated version of the Code was published, which supersedes and replaces the Code issued in 2004. Option explicitly adheres to this 2009 Code and has published on its website [www.option.com](http://www.option.com) (refer to the "investor relations" section), an updated Corporate Governance Charter, outlining its corporate governance structure and policies, in line with said 2009 Code, that can be consulted on the following website:

<http://www.corporategovernancecommittee.be/library/documents/final%20code/CorporateGovUKCode2009.pdf>

The 2009 Code has a high degree of built-in flexibility, enabling it to be adapted to each company varying size, activities and culture. It is based on a "comply or explain" system, which allows companies to deviate from the provisions of the 2009 Code when their specificities so justify, subject to providing adequate explanation.

The Belgian Act of 6 April 2010 regarding the fortification of corporate governance in listed companies and autonomous government institutions and the amendment of the professional ban in the banking and finance sector has institutionalized the Corporate Governance Code, making it mandatory for all listed companies. However, a number of recommendations set forth in the Corporate Governance Code can still be deviated from if the 'comply-or explain' principle is complied with.

Option adopts the "comply or explain" system with regards the following topics:

- *the combination Nomination Committee – Remuneration Committee*: given the size of the Group, the Board of Directors decided to combine the two so that the Remuneration Committee is also exercising the function of a nomination committee. (principle 5.4 of the 2009 Code)
- *the grant of warrants to the Board of Directors*: the Board of Directors is of the opinion that granting warrants to directors allows the Company to appoint directors of the highest international standing and allows the Company to ensure the continued involvement of the directors whilst at the same time limiting the financial burden upon the Company (principle 7.7 of the 2009 Code). The Board of Directors is convinced that the integrity and experience of the directors is the best guarantee of good judgment and decision-making. Finally the vesting schedule under the warrants plan is spread out over a period of four (4) years thereby mitigating the risk of short term driven decisions.

The grant of warrants to the directors is at no real cost to the Company, and the exercise of the warrants to the directors can only result in a very small dilution. In addition, the grant of the warrants is in line with common practice in the international and highly competitive high-tech and telecom sector.

- *Composition of the Board of Directors*: In accordance with article 2.3. of the 2009 Code at least one half of the Board of Directors should comprise non-executive directors and at least three of them should be independent according to the criteria set out in Appendix A of the 2009 Code.

Following the resignation of Mr David Hytha on 20 July 2012 the Company no longer complied with this article. It is in no way the intention of the Company to uphold this situation, as the Company has since then been active in finding a new independent director.

- *Executive Director/CEO as chairman of the Board of Directors*: As An Other Look To Efficiency SPRL resigned as chairman of the Board of Directors, a new chairman had to be appointed. After discussion the Board of Directors resolved to appoint Mr. Jan Callewaert as chairman, who is also CEO through Mondo NV, which is contrary to the corporate governance recommendations. The Board of Directors recognized the impact of this decision against the 2009 Code, but argued that, given the

challenges the Company is facing, it is crucial to have a close link between the Board of Directors and the executive management. Furthermore, the Board of Directors mandated FVDH Beheer BVBA with the tasks of working with the individual members of the management team in case of issues in which the CEO/ chairman would be conflicted.

- *Composition of Nomination and Remuneration Committee:* As per the reappointment of Q-List BVBA as director of the Company per 30 April 2012, Q-List BVBA no longer is an independent director resulting in the fact that the Nomination and Remuneration Committee no longer is comprised of a majority of independent directors. However, the Committee has, in 2012, not met since the aforementioned reappointment.

### **Composition of the Board of Directors**

The articles of association stipulate that the Board of Directors is composed of a minimum of three and a maximum of nine members, who are appointed by the general shareholders meeting for a maximum period of six years. In accordance with the principles of the Code the Company's directors are appointed for a maximum duration of four years. The Board of Directors must include at least three independent directors.

As of 31 December 2012, the Board was composed of five members, namely:

An Other Look To Efficiency SPRL, represented by Mr Olivier Lefebvre (permanent representative), independent director
Mr Jan Callewaert, executive director and Chairman
Mr Lawrence Levy, non-executive director
FVDH Beheer BVBA, represented by Mr. Francis Vanderhoydonck (permanent representative), independent director
Q-List BVBA, represented by Mr Philip Vermeulen (permanent representative), non-executive director

Mr David A. Hytha resigned as an independent director of the Company as from 20 July 2012. This resignation was published in the Annexes of the Belgian State Gazette of 19 February 2013.

The term of the office of Jan Callewaert and Lawrence Levy, appointed by decision of the extraordinary general meeting of shareholders held on 30 April 2009, will expire immediately after this year's Annual General Meeting, which will be asked to approve the annual accounts for the year ending in 2012. Furthermore, the term of office of Q-List BVBA and An Other Look To Efficiency SPRL, reappointed by decision of the annual general meeting of shareholders held on 30 April 2012, will also expire immediately after this year's Annual General Meeting.

FVDH Beheer BVBA represented by Mr Francis Vanderhoydonck (permanent representative) was appointed as new independent director effective as of 1 January 2011. The term of office of FVDH Beheer BVBA represented by Mr Francis Vanderhoydonck (permanent representative) will expire immediately after the Annual General Meeting, which will be asked to approve the annual accounts for the year ending in 2014.

As per Board Meeting of 25 May 2012 Mr Jan Callewaert was appointed as Chairman of the Board after resignation of Another Look To Efficiency SPRL as Chairman.

The reappointment of Mr. Jan Callewaert as executive Director to the Company, the reappointment of Q-List BVBA and Lawrence Levy as non executive Director, and the reappointment of An Other Look To Efficiency SPRL as independent Director to the Company will be on the agenda of this year's Annual General Meeting.

Furthermore, the Board of Directors is aware of the Belgian Act of 28 July 2011, prescribing that any listed company needs to take appropriate measures in order to assure that within the legal timeframe, the Board of Directors has to be composed for at least one third of female directors. The Remuneration and Nomination Committee will draft guidelines to comply with said requirement.

## Functioning of Board of Directors

In 2012, the Board of Directors met 26 times, 5 times in person and 21 times via conference call. The average attendance rate amounts to 95.04% (2011: 98.33%), with the following individual attendance rate figures:

Name	Board meetings attended		
	<i>Physical attendance</i>	<i>calls</i>	<i>%</i>
Jan Callewaert	5/5	20/21	96.15%
Q-List BVBA	5/5	21/21	100%
Lawrence Levy	5/5	21/21	100%
David Hytha	3/3	11/12	93,33%
An Other Look To Efficiency SPRL	5/5	18/21	88,46%
FVDH Beheer BVBA	5/5	19/21	92,31%

In the course of 2011 the non-executive directors met on a regular basis in order to discuss the relationship with the CEO and executive management of the Company. In accordance with Corporate Governance regulation, the Board organised an evaluation process led by the Chairman of the Board. The evaluation was done via a questionnaire that was sent to all directors by the Chairman of the Board. The results of the questionnaire were gathered via an external counsel to the Company on a no name basis.

The questionnaire focuses on different topics such as the operation of the Board and the committees, the contribution of each director, the interaction with the executive management and the Board's or committee's composition. The results were discussed by the Board in the first quarter of 2012 and action has been taken to improve the functioning, the interaction and reporting of the Board and the committees. Overall, the directors expressed their general satisfaction regarding the functioning of the Board and the evolution that the Company made during the last year. The Board further agreed on a number of improvement actions and discussed the implementation thereof with the executive director.

In 2013 the Board of Directors proposes to the Annual General Meeting of Shareholders to reduce the size of the Board of Directors with one member in order to save on expenditures, which means that the Board of Directors would consist of five members.

The Board of Directors further proposes to the Annual General Meeting of Shareholders to reappoint Jan Callewaert, An Other Look To Efficiency as respectively executive Director and independent Director of the Company, and Lawrence Levy and Q-List BVBA as non-executive Directors of the Company.

### **Related parties transactions – Conflict of interest procedure**

In 2012 the Board of Directors applied on 25 January 2012 the procedure foreseen in Article 523 of the Belgian Code of Companies. It was stated as follows:

#### **"Autonet Investment**

*Before the Board discusses this item, David Hytha informs the Board in accordance with the provisions of Article 523 of the Code of Companies that he may have a conflicting interest of a monetary nature with the Company in respect of the decisions that the Board may take in relation hereto. David Hytha further explains that he is the owner of a very small number of warrants in Autonet and that the potential provisioning by the Company of financing to Autonet is one of the subjects that will be discussed by the Board. Therefore, in accordance with the provisions of the aforementioned Article 523 of the Code of Companies, David Hytha leaves the meeting and does not take part in the further discussion, deliberation and voting.*

*The Board discusses the request from Autonet for additional financing as explained by the CEO.*

*The Board reiterates that the reasons for Option to invest in Autonet were divers and included inter alia:*

- 1. Strengthening the commercial relationship with Autonet;*
- 2. Improving its position in the automotive business;*
- 3. To improving its experience with management platforms*

*Since the last discussions on this topic Autonet has made very good progress on commercial and technical levels. During the latest motor show in Detroit the Autonet solution was presented by Chrysler emphasizing the strategic importance for Chrysler to co-operate with Autonet.*

*In order to continue its fast development track, Autonet wants to strengthen its financial situation in different manners. The Company is one of the key partners that would contribute to this.*

*The proposal is to provide additional financing via a capital increase that will be subscribed by the Company and the other reference shareholders. For the Company this would mean an additional investment of 200K USD at the same terms and conditions as before (in August 2011) whereby the Company's stake in Autonet would increase from 6,67% to 7,26%.*

*Given (i) the successes of Autonet; (ii) the importance for the company to attract sufficient working capital and (iii) the importance for Option to secure its investment*

*After discussion the Board RESOLVES*

**To approve that the Company subscribes to a further capital increase of Autonet for an amount of 200K USD**

**To mandate the managing director Jan Callewaert to further negotiate the corporate and commercial details for this increase in accordance with the above mentioned terms.**

**To give power to Jan Callewaert to sign, further negotiate, finalise and execute in the name of an on behalf of Option nv, all documents in relation to the financing of (capital increase in) Autonet and generally to do what is necessary or useful for the execution and implementation of the above mentioned agreement and all annexes thereto and the transaction contemplated thereby.**

*David Hytha rejoins the meeting."*

In the first quarter of 2013 the Board of Directors applied the procedure foreseen in Article 523 of the Belgian Code of Companies on two occasions.

At the meeting of the Board of Directors held on 23 January 2013 the procedure was applied and it was stated as follows.

Before the discussion of this item, Jan Callewaert informs the Board in accordance with the provisions of Article 523 of the Code of Companies that he may have a conflicting interest of a monetary nature with the Company in respect of the decisions that the Board may take in relation hereto. Jan Callewaert further explains that he is the owner of the majority of the shares of Mondo NV and that the potential conclusion of a loan agreement between Mondo NV and the Company is the topic that will be discussed by the Board. Therefore, in accordance with the provisions of the aforementioned Article 523 of the Code of Companies, Jan Callewaert leaves the meeting and does not take part in the further discussion, deliberation and voting.

The Board discusses the terms and conditions of the draft loan agreement. The agreement foresees in a very flexible procedure for the Company to draw moneys up to an amount of maximum 5 million EUR and this in tranches of 1 million EUR.

Furthermore the interests applicable to the loan agreement are in line with those established in the documents for the convertible loan, i.e. 5% per year. The interests need to be paid every six months.

The Board considers these conditions to be very beneficial for the Company. Furthermore, as the Company is confronted with a delay in the emission of the convertible bond, the Board is of the opinion that entering into the loan agreement will provide the Company with a buffer that could be necessary in case of further delay of the convertible bond emission.

Taking into account the above, the Board is of the opinion that entering into the loan agreement is to the benefit of the Company. The Board further emphasizes that the main purpose of this agreement is to bridge the time required to successfully close the current financing round.

Therefore, after discussion, the Board RESOLVES

**To approve the loan agreement under the commercial conditions as described above  
To mandate management to do what is necessary or useful for the execution and implementation of the above mentioned loan agreement provided however that management can only draw the first million EUR on the credit line. Further moneys can only be drawn upon approval of the Board."**

In addition the Board of Directors applied on 28 March 2013 the procedure foreseen in Article 523 of the Belgian Code of Companies. It was stated as follows:

Mr. Jan Callewaert, aforementioned, in his capacity of director and chairman of the board of directors, informs the board of directors, prior to the start of the deliberation, that, in relation to the issue of the convertible bonds described in the agenda, he has an interest of a monetary nature that is conflicting with the interests of the Company.

The board of directors proposes in the framework of the contemplated issue of the convertible bonds to waive the pre-emptive rights of the existing shareholders and warrant holders in favor of:

1. Mr. CALLEWAERT Jan, Jozef, Alfons, residing at 3000 Leuven, Vanden Tymplestraat 43/5, up to five million euro (EUR 5,000,000.00)
2. The private limited liability company "ATHOS INVESTMENTS", located at 3001 Leuven (Heverlee), Gaston Geenslaan 14, RLE Leuven with enterprise number 0837.471.076, up to one million euro (EUR 1,000,000.00)
3. The public limited liability company "PARTICIPATIEMAATSCHAPPIJ VLAANDEREN" in short "P.M.V.", located at 1000 Brussels, Oude Graanmarkt 63, RLE Brussels with enterprise number 0455.777.660, up to two million euro (EUR 2,000,000.00)
4. The nonprofit organization "LIFE SCIENCES RESEARCH PARTNERS", located at 3000 Leuven, Herestraat 49/913, RLE Leuven with enterprise number 0435.768.243, up to five hundred thousand euro (EUR 500,000.00)
5. The public limited liability company "MONDO", located at 3000 Leuven, Vanden Tymplestraat 43/5, RLE Leuven with enterprise number 0440.904.887, up to five hundred thousand euro (EUR 500,000.00)

Mr. Jan Callewaert declares that he potentially has an interest of a monetary nature that is conflicting with the interests of the Company as he will subscribe to the proposed issue of

convertible bonds both directly in his own name and for his own account, as well as indirectly via two companies, "Athos Investments" private limited liability company and "Mondo" public limited liability company.

Although the conversion price, in accordance with section 598 of the Code of Companies, has not been fixed below the average share price during the thirty days preceding the day of the issue, it cannot be excluded according to Jan Callewaert that he potentially has an interest in having an as low as possible conversion price and that this personal interest is not necessarily reconcilable with the interests of the Company.

But above all the interest of a monetary nature that is conflicting with the interests of the Company exist in the waiving of the pre-emptive rights in favor of the indicated persons as this creates at the moment of conversion of the bonds into new shares a dilution for the other owners of shares and/or warrants.

The dilution is based on the total number of existing shares and the total number of existing warrants of the Company at this date. The dilution effect can be different in the future in the event of an issue of new shares and/or warrants of the Company.

The Financial consequences and the dilution effect of the capital increase that could occur following the conversion of the Convertible Bonds is further elucidated indicatively in the following table. This table is based on the hypothesis that all Convertible Bonds will be converted into shares.

By the issue of new shares the voting rights and the liquidation and dividend rights will be diluted as follows:

Conversion -price	Number of new shares at conversion	Dilution of the shareholders in case of non-execution of existing warrants	Dilution of the shareholders in case of execution of the existing warrants	Total dilution of the shareholders in case of execution of the warrants and conversion
0,285 EUR	31.578.947	27,68 %	26,53 %	30,69 %

The issue of the shares following conversion of all Convertible Bonds leads to a dilution of the voting rights and participation in profit and liquidation balance for the existing shareholders as further indicated above.

Taking into account the above and pursuant to section 523 of the Code of Companies, the director concerned will not participate at the deliberation and decision regarding the issue of the convertible bond with waiving of the pre-emptive rights in favor of the aforementioned persons.

Next Mr. Jan Callewaert reads a statement of Mr. Vanderhoydonck Francis, Martie, Fernand, residing at 3040 Huldenberg, Struikenbos 8 acting in his capacity of permanent representant of the private limited liability company "FDH Beheer", with seat at 1040 Etterbeek, Kommandant Lothairelaan 53/55, RPR Brussels with enterprise number 0806.352.783, for the execution of the mandate of director with the Company.

Mr. Francis Vanderhoydonck declares that he is, in his personal name, director, together with Mr. Jan Callewaert, of the private limited liability company "ATHOS INVESTMENTS", aforementioned, and that he potentially has an interest of a monetary nature that is conflicting with the interests of the Company as the private limited liability company "ATHOS INVESTMENTS" linked to him, will subscribe to the proposed issue of convertible bonds.

Although the conversion price, in accordance with section 598 of the Code of Companies, has not been fixed below the average share price during the thirty days preceding the day of the issue, it cannot be excluded according to Francis Vanderhoydonck, that he potentially has an interest in having an as low as possible conversion price and that this personal interest is not necessarily reconcilable with the interests of the Company.

But above all the interest of a monetary nature that is conflicting with the interests of the Company exists in the waiving of the pre-emptive rights in favor of the indicated persons as this creates at the moment of conversion of the bonds into new shares a dilution for the other owners of shares and/or warrants.

The dilution is based on the total number of existing shares and the total number of existing warrants of the Company at this date. The dilution effect can be different in the future in the event of an issue of new shares and/or warrants of the Company.

The Financial consequences and the dilution effect of the capital increase that could occur following the conversion of the Convertible Bonds is further elucidated indicatively in the following table. This table is based on the hypothesis that all Convertible Bonds will be converted into shares.

By the issue of new shares the voting rights and the liquidation and dividend rights will be diluted as follows:

Conversion -price	Number of new shares at conversion	Dilution of the shareholders in case of non-execution of existing warrants	Dilution of the shareholders in case of execution of the existing warrants	Total dilution of the shareholders in case of execution of the warrants and conversion
0,285 EUR	31.578.947	27,68 %	26,53 %	30,69 %

The issue of the shares following conversion of all Convertible Bonds leads to a dilution of the voting rights and participation in profit and liquidation balance for the existing shareholders as further indicated above.

Taking into account the above and pursuant to section 523 of the Code of Companies, the director concerned will not participate at the deliberation and decision regarding the issue of the convertible bond with waiving of the pre-emptive rights in favor of the aforementioned persons.

The auditor of the company will be informed of the aforementioned declarations of the directors.

Next Mr. Jan CALLEWAERT leaves the meeting in accordance with section 523 of the Code of Companies; the mandate that was given by the private limited liability company "FDH BEHEER" to Mr. Jan CALLEWAERT with a view to the representation during the meeting will, for the same reasons, not be used.

The board of directors further decided

- to issue the convertible bonds for an amount of nine million euro (€9.000.000,00) as further described in the report of the board of directors drafted in accordance with section 583 of the Code of Companies;
- to the interest of the company, to waive the pre-emptive rights of the existing shareholders and warrant holders in favor of the following five (5) parties:
  - Mr. CALLEWAERT Jan, aforementioned, up to an amount of five million euro (EUR 5,000,000.00)
  - The private limited liability company "ATHOS INVESTMENTS", aforementioned, up to an amount of one million euro (EUR 1,000,000.00)
  - The public limited liability company "PARTICIPATIEMAATSCHAPPIJ VLAANDEREN" in short "P.M.V.", aforementioned up to an amount of two million euro (EUR 2,000,000.00)
  - The nonprofit organization "LIFE SCIENCES RESEARCH PARTNERS", aforementioned up to an amount of five hundred thousand euro (EUR 500,000.00)
  - The public limited liability company "MONDO", aforementioned, up to an amount of five hundred thousand euro (EUR 500,000.00)

The policy with regard to transactions between the Company or any of its affiliated companies on the one hand and members of the Board of Directors or the Executive Management Team (or members of their immediate families) on the other hand that could give rise to conflicts of interest (other than those defined in the Belgian Companies Act) has been defined in the Corporate Governance Charter. In line with the decision taken by the Board of Directors in 2006 the Company reports on the professional fees charged by the US based law firm Brown Rudnick LLP, since Mr. Lawrence Levy who joined the Board of Directors of the Company early 2006 was one of the Senior Counsels of this law firm.

In order to avoid any ambiguity the Board of Directors decided in 2006 to report on an annual basis on the fees that were paid to Brown Rudnick LLP during the financial year. In 2012, the fees paid to Brown Rudnick LLP amounted to EUR 14k (2011: EUR 18k). At the end of 2010 Mr. Lawrence Levy retired from Brown Rudnick LLP and has no commercial ties with the lawfirm anymore.

In the course of normal operations, related party transactions entered into by the Group have been contracted on an arms-length basis.

### **Audit Committee**

In 2012 the Audit Committee of the Company was composed of two independent directors, FVDH Beheer BVBA and An Other Look To Efficiency SPRL, and one non-executive director, Q-List BVBA. FVDH Beheer BVBA is chairman of the Audit Committee.

All members of the Audit Committee comply, because of their training and professional activities, to the requirements of expertise in accounting and auditing. Mr Philip Vermeulen, representing Q-List BVBA has significant financial experience. Mr Vermeulen has held different position in the financial and venture capital sector, working for both Chase Manhattan and Ippa Bank, as well as for GIMV and FLV Fund. In addition, Mr Olivier Lefebvre, representing An Other Look To Efficiency SPRL, has a rich experience in financial and capital markets. He was member of the NYSE Euronext Inc. management committee, member of Euronext N.V management committee and CEO of the Brussels Stock Exchange. Prior to that, he was advisor and Chief of Staff to the Belgian Minister of Finance, in charge of the reform of the Belgian financial markets. Mr. Francis Vanderhoydonck, representing FVDH Beheer BVBA also has substantial financial experience. He is Master of Law and Economic Sciences and obtained an MBA from New York University. From 1986 to 1998, he worked at Generale Bank, where he held a number of positions in the investment banking department. From 1995 to 1998, he was responsible for this department. Now, he works with Maple Finance Group, which is specialized in the management of private equity investment funds and corporate finance.

The Audit Committee gives guidance and controls the financial reporting of the Company. It ensures the presence of sufficient internal control mechanisms and, in co-operation with the statutory auditor of the Company, investigates questions relating to bookkeeping and valuation. The Audit Committee met 4 times in 2012 and reported to the Board of Directors on its activities and findings. The individual attendance rate figures (i.e. the attendance of the individual Committee member during the time he was member of the Committee) were as follows:

<b>Name</b>	<b>Audit Committees attended</b>
Q-List BVBA	100 %
An Other Look To Efficiency SPRL	100 %
FVDH Beheer BVBA	100 %

### **Remuneration and Nomination Committee**

The Remuneration and Nomination Committee was initially composed of two independent directors, i.e. Q-List BVBA and FVDH Beheer BVBA and one non-executive director, Mr. Lawrence Levy who chairs the Committee. As per 30 April 2012 and the reappointment of Q-List BVBA as non-independent director, the Remuneration and Nomination Committee is no longer composed of a majority of independent directors, but is composed of one independent director, one non-independent director and one non-executive director.

The Remuneration and Nomination Committee's role is to provide for a fair policy of remuneration for the employees and to ensure best international practices are respected when determining the remuneration and incentives of Directors Officers and Executive Management Team, and the appointment of the latter. Furthermore, The Remuneration and Nomination Committee advises the CEO of the Company regarding the compensation for the Executive Management Team. Given the size of the Group, the Remuneration Committee is therefore also combining the function of a Nomination Committee. The Remuneration and Nomination Committee met 3 times in 2012 and reported to the Board of Directors on its activities and findings. The individual attendance rate figures (i.e. the attendance of the individual Committee member during the time he was member of the Committee) were as follows:

<b>Name</b>	<b>Remuneration Committees attended</b>
Q-List BVBA	100 %
Lawrence Levy	100 %
FVDH Beheer BVBA	100 %

### **Remuneration report**

The remuneration of non-executive directors is decided by the General Shareholder Meeting based on a proposal that the Board formulates after an advice of the Remuneration Committee. The remuneration of the CEO is decided by the Board after advice of the Remuneration Committee. The remuneration of executive managers is decided by the CEO after consultation of the Remuneration Committee. No individual can decide on his/her own remuneration. This procedure is applied both in determining the remuneration policy and in determining the individual remuneration of directors and executive managers, and will, in the opinion of the Board of Directors, not be altered in the upcoming two financial years.

As far as the level of remuneration for the non-executive directors is concerned, the Company offers a competitive package in line with their roles in the Board and Committees that is composed of a fixed base compensation plus attendance fees. In 2008 warrants were offered to the directors.

In setting the level of remuneration for the executive managers the Company offers a competitive total compensation based on a combination of base salary, variable salary, extra legal benefits and warrants. The methodology for setting the targets for and evaluating the performance and the variable salary of executive managers is reviewed by the Remuneration Committee.

The Remuneration Committee is assisted by remuneration specialists when needed and investigates market best practices and market reference data from time to time in order to advice on competitive remuneration levels.

### **Remuneration of the directors**

The directors are remunerated for the execution of their mandate. The general meeting of shareholders who appointed the directors decided upon their remuneration. The remuneration includes both a fixed amount for Board membership and an attendance fee for the meetings of the Board of Directors and the meetings of the Committees of the Board. The annual remuneration per director is limited to a maximum of 49,000 EUR with an exception for the Chairman (see below). The remuneration is composed of the following elements:

- an annual retainer of 25,000 EUR;
- an attendance fee of 2,000 EUR per Board meeting in person, provided the above maximum amount of director's annual remuneration is not exceeded;
- an attendance fee of 1,000 EUR per Board meeting via conference call, provided the above maximum amount of director's annual remuneration is not exceeded;
- an attendance fee of 1,500 EUR per Committee meeting in person and of 750 EUR per meeting via conference call, provided the above maximum amount of director's annual remuneration is not exceeded.

Following the split of the CEO and Chairman of the Board (early 2010) shareholders approved in 2010 an additional compensation for (i) the Chairman of the Board of Directors of 18,750 EUR per year, and (ii) the Chairman of the Audit Committee of 5 000 EUR per year, as from the start of the financial year 2010.

For the year 2012 the Board accepted to reduce the annual retainer with 25% bringing it to 18,750 EUR. This resulted in an overall lower compensation for the Board members.

The remuneration of the Board members for 2012 was therefore as follows.

Name	Total remuneration EUR
Jan Callewaert <sup>(1)</sup>	N/A (2011: N/A)
Q-List BVBA	41 028 (2011: 49 000)
Lawrence Levy	41 028 (2011: 49 000)
David Hytha	22 653 (2011: 49 000)
An Other Look To Efficiency SPRL	53 278 (2011: 74 000)
FVDH Beheer BVBA	44 778 (2011: 50 472)

In addition to the aforementioned remuneration directors are also entitled to out-of-pocket expenses in line with the Company policies (especially travel policy) and provided such expenses are reasonable and required for the performance of their duties as director of the Company.

In 2012, the global compensation for the Board of Directors amounted to EUR 203k (2011: EUR 271k).

Name	Board meetings attended		Audit Committees attended	Remuneration Committees attended	Strategic Committees Attended	Total remuneration Thousands EUR
	Physical attendance	calls				
Jan Callewaert <sup>(1)</sup>	5/5	20/21	N.A	N.A	N.A	N.A (2011: N.A)
Q-List BVBA	5/5	21/21	4/4	3/3	N.A	41.03 (2011: 49.00)
Lawrence Levy	5/5	21/21	N.A	3/3	N.A	41.03 (2011: 49.00)
David Hytha	3/3	11/12	N.A	N.A.	N.A	22.65 (2011: 49.00)
An Other Look To Efficiency SPRL	5/5	18/21	4/4	N.A	N.A	53.28 (2011: 74.00)
FVDH Beheer BVBA	5/5	19/21	4/4	3/3	N.A	44.78(2011: 50.47)

*(1) Excluding CEO remuneration to Mondo NV – As of 2010 the Board of Directors Compensation is included in the fixed remuneration of the CEO.*

For 2013 the Board of Directors proposes to the shareholders to reduce the annual retainer to 12 500 EUR and further to reduce the additional remuneration to the chairman of the Audit Committee to 3 750 EUR.

Summarizing the remuneration proposal for the Board of Directors in 2013 is as follows:

the remuneration per director is limited to a maximum of 49 000 EUR with an exception for the Chairman of the Audit Committee where the maximum remuneration is fixed at 52 750 EUR and, if applicable, the remuneration of the Chairman of the Board which is limited to 67 750 EUR<sup>1</sup>. The remuneration is composed of the following elements:

---

<sup>1</sup> As far as the remuneration of Jan Callewaert is concerned, reference is made to the fact that since 2010 the Board of Directors Compensation is included in the fixed remuneration of the CEO.

- an annual retainer of 12 500 EUR;
- an attendance fee of 2 000 EUR per Board meeting in person, provided the above maximum amount of director's annual remuneration is not exceeded;
- an attendance fee of 1 000 EUR per Board meeting via conference call, provided the above maximum amount of director's annual remuneration is not exceeded;
- an attendance fee of 1 500 EUR per Committee meeting in person and of 750 EUR per meeting via conference call, provided the above maximum amount of director's annual remuneration is not exceeded.

Although the Corporate Governance Code stipulates that it is not recommended to grant performance-related remuneration such as stock related long-term incentive schemes to the non-executive directors, warrants have been granted to all the directors of the Company.

At year end 2012 the following warrants "V" were held by the members of the Board of Directors.

Jan Callewaert	50 000
Lawrence Levy	50 000
Q-List BVBA	30 000
An Other Look To Efficiency SPRL	30 000
<b>Total</b>	<b>160 000</b>

Furthermore, Mr. David Hytha who resigned as a member of the Board of Directors in July 2012, holds 50 000 warrants "V".

The main terms and conditions of the warrants plan "V" governing the above warrants are as follows:

- the warrants are subject to a vesting scheme (20% vested 6 months after the offer; 20% 1 year after the offer, 20% 2 years after the offer, 20% 3 years after the offer and 20% 4 years after the offer);
- the exercise price of the above warrants amounts to EUR 2.84 per warrant for all the members of the Board of Directors;
- the exercise must take place during exercise windows (i.e. May, September or December);
- upon conversion of their warrants the warrant holders receive one ordinary share of the Company per warrant;
- the plan provides for an accelerated vesting and exercise in the event of a change of control.

The Board of Directors is of the opinion that granting warrants to directors allows the Company to appoint directors of the highest international standing and allows the Company to ensure the continued involvement of the directors whilst at the same time limiting the financial burden upon the Company. The Board of Directors is convinced that the integrity and experience of the directors is the best guarantee of good judgment and decision-making. Finally the vesting schedule under the warrants plan is spread out over a period of four (4) years thereby mitigating the risk of short term driven decisions.

The grant of warrants to the directors is at no real cost to the Company, and the exercise of the warrants to the directors can only result in a very small dilution. In addition, the grant of the warrants is in line with common practice in the international and highly competitive high-tech and telecom sector.

## Executive Management Team

As per 31 December 2012, the Executive Management Team was composed of the following members:

Jan Callewaert <sup>1</sup> , Founder and Chief Executive Officer (CEO)
Bart Goedseels <sup>2</sup> Chief Operating Officer (COO)
Patrick Hofkens, Chief Development Officer (CDO)
Jan Smits <sup>3</sup> , Chief Financial Officer (CFO)
Frédéric Nys, Executive Vice President Engineering and Technical

Jérôme Nadel, former Chief Experience Officer, left the Company in September, 2012.

### Executive officers compensation (Executive Management Team)

The compensation of the executive officers of the Company is composed of a fix base remuneration and a variable remuneration. The variable remuneration is linked to the performance of the Company (EBITDA) in the current financial year. Warrants are destined to create longer term incentive schemes.

The management company of Mr Jan Callewaert (Mondo NV) is acting as CEO of the Group and performing management services for the Group. Following the recommendation of the Remuneration Committee, the Board of Directors decided on 26 May 2010 to modify the remuneration paid to the CEO of the Company (Mondo NV represented by Jan Callewaert) and decided to fix the base remuneration at EUR 430k per year and the variable remuneration to a maximum of EUR 190k per year. In addition, the Board of Directors suggested that the aforementioned remuneration, paid to the CEO, should also cover the compensations paid to Jan Callewaert in his capacity of member of the Board of Directors. Therefore, the remuneration for these management services in 2012 amounted to EUR 430k (2011: EUR 430k). For 2012, no variable compensation was paid out (2011: EUR 0k). The CEO received additional benefits for an amount of EUR 18k covering car, fuel and lump sum allowance costs (2011: EUR 15K). The CEO is not entitled to nor is he a beneficiary of any pension scheme which is paid for by the Company.

For the year 2012, an aggregate gross amount of EUR 944k (2011: EUR 1 228k) was attributed to the other five members of the Executive Management Team. The 2012 gross amount includes redundancy fees for one member of the Executive Management Team who left the Company in the course of 2012. For 2012, no variable pay was granted relating to 2012 performance (2011: EUR 22k).

For the members of the Executive Management Team, benefits include an extra-legal pension scheme, the cost of which amounted to EUR 53k (2011: EUR 32k). The members of the Executive Management Team received additional benefits for an amount of EUR 39K covering car, fuel, lump sum allowance and hospitalization insurance costs (2011: EUR 28K).

No member of the Executive Management Team is entitled to specific severance payments that would be in surplus of existing legal regulations. There exist no special rights of recovery, in addition to existing legal provisions, that would grant special powers to the Company for recovery of variable compensation granted or paid on the basis of incorrect financial data.

At year end 2012, the following warrants "V" were held by the current members of the Executive Management Team (2011: 137 500):

Mondo NV (Jan Callewaert)	75 000
Patrick Hofkens	50 000
Frédéric Nys	12 500
<b>Total</b>	<b>137 500</b>

<sup>1</sup> Mondo NV, a company incorporated and organised under Belgian law, represented by Jan Callewaert

<sup>2</sup> Adrimaar BVBA, a company incorporated and organised under Belgian law, represented by Bart Goedseels.

<sup>3</sup> Swap NV, a company incorporated and organized under Belgian law, represented by Jan Smits.