

zenitel

CORPORATE GOVERNANCE CHARTER
ZENITEL NV

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This document is a free translation. The original version of this document is in Dutch.

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Introduction

As a public company, Zenitel (or the "**Company**") attaches a great deal of importance to ensuring that its Corporate Governance system is accessible and comprehensible to its shareholders. The Company realizes that the long-term trust of its shareholders is a key element in its positive development. This is why Zenitel strives to ensure constant transparency regarding shareholders' rights, management and monitoring, as well as accounting principles.

Taking into account its size and characteristics, Zenitel has implemented the provisions of the Belgian Corporate Governance Code 2009¹ (the "**Code**"), and has allowed for the new statutory provisions of the Belgian Company Code. In this respect, all nine principles of the Belgian Corporate Governance Code are complied with as well as the majority of the provisions of this Code. Provisions of the Code that are not complied with are being explained.

The scope of and the reason for the derogations of the principles of the Code will be explained in Zenitel's annual report, under the chapter "Declaration with regards to Corporate Governance" (the "**CG Declaration**"), in accordance with the "comply or explain"-principle, which is also established in Article 96, §2, 2° of the Belgian Company Code.

Zenitel undertakes to continue to further develop and adjust its corporate governance as part of an ongoing process, in order to deal with local and international developments in this field and to meet the needs of its shareholders.

Zenitel has a dedicated section on its website (www.zenitel.com) containing all relevant information for its shareholders and investors, for instance this Corporate Governance Charter, necessary information on the General Shareholders' Meetings, financial reports, financial calendar, annual reports, by-laws,....

¹ Available on: www.corporategoverancecommittee.be.

The following topics are covered in this charter:

1. The Shares and Shareholders of Zenitel
2. The Board of Directors of Zenitel
3. The Committees of the Board of Directors of Zenitel
4. Daily Management of Zenitel
5. The Remuneration Policy of Zenitel
6. Code of Conduct regarding Inside Information and Transactions of Zenitel's Shares
7. Appendix : Code of Conduct

1. THE SHARES AND SHAREHOLDERS OF ZENITEL

1.1 The Shares

1.1.1 Number and quotation

The Company has issued 3,310,884 shares, without indication of par value, all listed on the Premier Marché of Euronext Brussels, segment C, small caps.

Based on the latest received transparency declaration of 24 August 2017, the major shareholders of the Company by date of this Charter are the following:

Shareholder	Number of shares	% of the total
De Wilg GCV*	400,000	12.08 %
3D NV*	1,584,776	47.87 %
QuaeroQ CVBA	496,230	14.99 %
The Company	5,821	0.18 %
Freefloat	824,057	24.88 %
Total	3,310,884	100.00 %

*: De Wilg GCV and 3D NV are acting in concert. The Company does not know the content of the shareholders' agreement concluded between them.

The table of Zenitel's major shareholders is kept up-to-date based on the most recent transparency notification to the Company. It is recommended to always consult the most recent overview on the Company's website: www.zenitel.com (investor relations).

1.1.2 Form and conversion

Zenitel shares are registered or dematerialized.

Holders of the securities may at any time, at their own expense, ask for the conversion of their securities into registered or dematerialized securities.

A dematerialized security shall be reflected by an entry on an account held with a certified holder or with a clearing institution under the name of the owner or the holder of the concerned security.

The names and addresses of the shareholders of registered shares are listed in a shareholders' register. Holders of registered shares can obtain extracts from this register upon request.

1.1.3 Share redemption

The Company has been authorized by means of a decision of the general meeting of 28 April 2017, to acquire its own shares or bonus shares or certificates which relate thereto, or to divest them in accordance with the Articles 620 and following of the Company Code.

The general meeting of 28 April 2017 has explicitly granted the authority to the Board of Directors, in accordance with the provisions of Article 620 and following of the Company Code, to acquire by sale or exchange its own shares, bonus shares or certificates which relate thereto or to divest those, without the requirement of a prior decision of the general meeting, either directly or through a person which acts in its own name but on behalf of the company, or through a direct subsidiary in the meaning of Article 627 of the Company Code, if the acquisition or divestment is necessary to avoid a threatening serious disadvantage for the company. This power is valid for a period of three years as from the publication of this decision in the Annexes to the Belgian State Gazette, i.e. until 16 May 2020, and can be renewed.

The general meeting of 28 April 2017 has moreover granted the Board of Directors the power to acquire by sale or exchange the maximum number of shares, bonus shares or certificates which relate thereto as set forth in Article 620 §1 and 622 §2 of the Company Code, and to divest those, either directly or through a person which acts in its own name but on behalf of the company, or through a direct subsidiary in the meaning of Article 627 of the Company Code, against a consideration which cannot be more than 20% lower and cannot be more than 20% higher than the average stock exchange rate of the relevant security on Euronext during the five trading days preceding the acquisition or exchange or divestment. This power is valid for a period of 5 years as from the resolution of the general meeting of 28 April 2017, i.e. until 28 April 2022.

The Board of Directors is furthermore also empowered in accordance with Article 630 §1 of the Company Code, to take a pledge, directly or indirectly through a subsidiary or a person who acts in its own name but on behalf of that subsidiary or the company, as stipulated in Article 630 §1 of the Company Code, on its own shares, bonus shares or certificates which relate thereto and this in accordance with the conditions and duration for acquisition and divestment of own shares set forth above. In accordance with Article 620 §2 of the Company Code the company should, for as long as it is listed or as long as its securities are admitted to an MTF as defined in Article 2, 4° of the Law of 2 August 2002 on the supervision of the financial sector and the financial services, to the extent that it works with at least one daily trading and with a central order book, inform the Financial Services and Markets Authority of acquisitions that it is considering by application of Article 620 §1 of the Company Code. The Board of Directors is furthermore empowered to divest shares or certificates of the company in accordance with Article 622, §2, 1° of the Company Code.

1.1.4 Dividends

The Company does not have the intention to pay out annual dividends on a consistent basis. It is important for the Company to establish a strong equity base.

1.2 The shareholders

Zenitel ensures that shareholders have the best possible access to all relevant shareholder's information and encourages all shareholders to exercise their rights and to participate in the General Meetings. It also ensures that all regulations relating to the periodic and occasional dissemination of information are promptly complied with.

The independent Directors of Zenitel closely monitor that the reference shareholders make a considered use of their position and respect the rights and interests of minority shareholders. The Board of Directors also encourages the reference shareholders to respect the Code.

1.3 The General Shareholders' Meeting

The ordinary General Shareholders' Meeting is held every year on 28 April at 11.00 AM at the Company's registered office, or at any other place in Belgium indicated in the convocation. When this date should be a Saturday, Sunday or Public holiday, the General Shareholders' Meeting is held on the first working day afterwards.

Extraordinary General Shareholders' Meetings may be convened as often as this is deemed necessary

by the Board of Directors of Zenitel. Furthermore, shareholders representing at least 20% of the subscribed capital can request that an Extraordinary General Shareholders' Meeting is convened.

1.3.1 Convocation and documents

Notices of General Meetings of the Company shall be sent to holders of registered shares. Such notices shall also be published in a newspaper in Belgium², in the Belgian Official Gazette and on the Zenitel website in conformity with statutory requirements and applicable deadlines. A press release shall also be issued.

The notice shall contain all the prescribed information as per applicable law (including the place, date and time of the meeting, the agenda and proposed resolutions, the formalities for admission to the meeting, information about the right to propose any resolution or topics for inclusion in the agenda, the right to ask questions, the procedure for voting by proxy or by letter (if permitted), the place where a free copy of the documents can be obtained, the Company website, etc.).

The documents that must be sent to the holders of registered shares as per the law, shall also be sent. Each security holder may, on presenting his securities or proof of registration of his securities with a recognised demat institution or clearing institution, receive such documents free of charge from the registered office of the Company as soon as the notice is published (the documents shall also be available on the website).

1.3.2 The agenda

The agenda of the General Shareholders' Meetings is proposed by the Board of Directors.

The agenda of the Ordinary General Shareholders' Meetings includes amongst other things:

- submission of the annual report and the Statutory Auditor's report;
- the approval of the remuneration report;
- the acknowledgement of the consolidated annual accounts and approval of the annual accounts and allocation of the results;
- the submission of the proposition from the Audit Committee regarding the (re)appointment of

• ² Except in the case of an Ordinary General Meeting, with agenda items only as prescribed by the law, and where the meeting is held at the place, date and time prescribed by the articles of association of the Company.

- the Statutory Auditor;
- the appointment of members of the Board of Directors and the Auditor;
 - the discharge granted to members of the Board of Directors and the Auditor in relation to the fulfilment of their tasks during the previous financial period;
 - the remuneration of the Directors and the Statutory Auditor; and
 - approval of the contractual provisions with the CEO or other member of the Senior Management, if the same provide for an initial remuneration exceeding 12 months' basic and variable remuneration, or on the reasoned recommendation of the Appointment and Remuneration Committee, exceed 18 months' basic and variable remuneration.

One or more shareholders together representing at least 3% of the share capital of the Company, may place the items to be discussed on the agenda, and submit draft resolutions on subjects for discussion included or to be included in the agenda, but only at the time of the first calling of a General Meeting.

The shareholder must prove that, on the date on which he submits a draft resolution or topic, he holds the required share capital and this by submitting a certificate of registration of the relevant shares in the share register of the Company or by submitting a certificate from a recognised demat institution or clearing institution showing that the corresponding number of dematerialised shares is registered in his name in the account.

The Company should receive the written request for inclusion in the agenda, and the text of the topics to be discussed and/or draft resolutions, along with proof that the applicant holds at least 3% of the capital, as described above, at the email address to be communicated in the notice or by post at the Registered Office, no later than on the 22nd day preceding the General Meeting. The shareholder(s) must specify a postal or e-mail address in their request. The Company shall confirm the receipt of the request within 48 hours of receipt.

If the Company has received additional issues and/or proposed resolutions, it shall publish the new agenda and the draft resolutions as per the statutory requirements no later than on the 15th day preceding the date of the General Meeting. A completed proxy form, and if applicable, a completed form to vote by letter shall in such case be provided on the Company website.

The proposed topics and/or draft resolutions may only be considered at the relevant General Meeting if the relevant shareholder(s) still hold(s) 3% of the capital on the record date and this has been registered, as per Article 536§2 of the Company Code, on the record date, i.e. on the fourteenth day preceding the General Meeting (at 12 PM (Belgian time)).

1.3.3 Website

The Zenitel website shall provide the following information on the date of publication of the notice, up to the date of the General Meeting:

- the notice, and - as soon as possible – the agenda supplemented if applicable with the additional topics and/or draft resolutions notified to the Company by one or more shareholders holding at least 3% of the share capital;
- the total number of shares and voting rights on the date of the notice (along with a category-wise breakdown if applicable);
- the documents to be submitted to the General Meeting (for example, annual report, special reports, draft annual accounts, etc.);
- the draft resolutions, or if no resolution is required, the comments of the Board of Directors (including the additional draft resolutions received from one or more shareholders representing at least 3% of the share capital; this shall be added to the website as soon as possible after receipt);
- the forms to be used for voting by proxy and, if permitted, for voting by letter.

This information must be available on the Company website for up to five years after the date of the relevant General Meeting.

1.3.4 Admission to the General Meeting

The right to participate in the General Meeting and to exercise the right to vote is granted only on the basis of the accounting registration of the shareholder's shares at midnight (Belgian time) on the 14th day preceding the relevant General Meeting, being the record date, either through their registration in the register of shareholders of the Company, or in the accounts of an authorised demat institution or clearing institution, regardless of the number of shares held by the shareholder on the day of the General Meeting.

The shareholder shall notify the Company or the person appointed by the Board of Directors, as to whether or not he wishes to participate in the General Meeting of the Company, no later than the 6th day preceding the General Meeting, as per the procedure laid down by the Board of Directors.

The shareholder shall provide the Company or the person appointed by the Board of Directors, within the same period, in case he holds dematerialised shares, as per the procedure laid down by the Board of Directors, a certificate from the authorised demat institution or clearing institution, stating the number of the dematerialised shares registered on the record date in the name of the shareholder in his accounts, with which the shareholder has stated that he wishes to participate in the general meeting.

The warrant and bond holders may attend the General Meeting but shall only have an advisory vote. They shall be required to fulfil the same registration formalities, mutatis mutandis, as aforesaid.

1.3.5 Right to raise questions

All shareholders may raise relevant questions about the Board of Directors' or the Auditor's Reports, or concerning other agenda items, during the meeting, or in writing.

On publication of the notice calling the General Meeting, shareholders may submit their questions in writing via e-mail to the e-mail address of the Company, as published in the notice, or by post to the Company. The Company should receive the questions no later than by the 6th day preceding the General Meeting. The questions shall only be answered if the shareholder raising the same fulfils the formalities for admission to the relevant General Meeting.

The Directors and the Auditor present at the meeting must reply to the questions to the best of their ability, provided such communication of information or facts is not detrimental to the business interests of Zenitel or to the confidentiality that must be observed by the Company, its Directors or the Auditors.

If several questions relate to the same subject, the Directors and the Auditor may provide only one answer.

1.3.6 Proxy

Principle

Each shareholder may be represented at the General Meeting by a third party who need not be a shareholder, as per Article 22 of the articles of association of the Company, and must hold a special proxy in writing, to be submitted in writing or in electronic form (provided the Board of Directors permits the same).

Procedure

The Company website must contain a proxy form for each General Meeting, to be used to appoint a proxy, and the meeting notice should specify the formalities for voting by proxy, particularly the period within which the right to vote by proxy must be exercised, and the conditions subject to which the Company will accept electronic notifications of proxy appointments.

The shareholder shall appoint the proxy in writing or via an electronic form (provided the Board of Directors permits the same), which must be signed by the shareholder (if applicable, by means of an advanced electronic signature as per Article 4§4 of the Act of 9 July 2001 laying down certain rules relating to the legal framework for electronic signatures and certification services, or with an electronic signature in conformity with Article 1322 of the Civil Code). The shareholder must send the proxy to the Company by post or by e-mail using an electronic signature, to the email address stated in the notice calling the General Meeting, no later than on the sixth day preceding the General Meeting.

If the proxy is cancelled, this should also be indicated and notified to the Company in writing or through an electronic form, as per the preceding sub-section, prior to the General Meeting.

The proxy shall only be counted when calculating the quorum and the majority if the shareholder appointing the proxy fulfils the formalities for admission to the General Meeting.

Validity period of the proxy

The proxy may be appointed for one or more specific meetings or for meetings that are held within a certain period (except in the case of a public call for proxies, which may only be requested for one General Meeting).

The proxy issued for a specific meeting shall be valid for all subsequent meetings that may be convened with the same agenda.

Appointment of the proxy holder

A shareholder of the Company may only appoint one person as proxy (who may be replaced if necessary provided the shareholder has granted the right of substitution).

However, the shareholder may appoint a separate proxy for each type of shares that he owns (for example, shares registered by name or dematerialized shares), and for each of his security accounts if he has shares in more than one security account. A person qualified as shareholder, acting professionally on behalf of other natural persons or legal entities (in other words, a nominee), may also issue a proxy to each of such other natural persons or legal entities or to a third party designated by them.

Rights of proxies

A person acting as a proxy may hold proxies from several shareholders; he may vote differently for each

shareholder, if necessary.

The proxy holder shall enjoy the same rights as the shareholder he represents, namely, the right to speak, ask questions during the General Meeting, and to vote.

The proxy form must state whether the proxy can vote on any new topics included in the agenda under the right of shareholders holding 3% of the capital to introduce new topics, or whether the proxy should abstain from voting.

Duties of the proxy

The proxy must cast his vote as per the instructions, if any, of the shareholder issuing the proxy; it is not mandatory to provide instructions for voting (except in case of requests to issue a proxy and a potential conflict of interest - see below). The Company however recommends that voting instructions should be provided, to avoid disputes later on.

The proxy must note voting instructions if any of the shareholder in a register, for at least one year, and must, on the shareholder's request, confirm that he has duly complied with such voting instructions.

Potential conflict of interest

If there is a potential conflict of interest between the shareholder and the proxy, the proxy shall notify the specific facts to the shareholder relevant for assessing whether there is a risk that the proxy is engaged in efforts to achieve any other interest than the interest of the shareholder, and the proxy may only vote for the shareholder if he has specific voting instructions for each agenda item.

Such a potential conflict of interest shall definitely be deemed to exist if the proxy (i) is the Company itself (in other words, Zenitel) or an entity controlled by it, or is a shareholder who controls the Company, or any other entity controlled by such shareholder; (ii) is a member of the Board of Directors or the management bodies of the Company, of a shareholder who controls the Company, or of a controlled entity as per (i), (iii) is an employee or an auditor of the Company, or of the shareholder that controls the Company, or of a controlled entity as per (i), (iv) is a parent of a natural person as per (i) to (iii) above, or is the spouse or legal cohabiting partner of such person, or of a relative of such person.

Modified agenda

In exercise of the right of the shareholders who hold at least 3% of the share capital of the Company, it may be necessary to circulate a modified agenda of the General Meeting no later than on the 15th day

preceding the relevant General Meeting.

In such case, the Company website must contain an additional proxy form.

The proxies notified to the Company before the supplemented agenda is published shall be valid for the related agenda items to be discussed at the meeting.

As regards items for which new draft resolutions have been submitted, the proxy may deviate from the shareholder's instructions if any, if following the instructions could harm the shareholder's interests. The proxy must notify the shareholder concerning the same.

It should be remembered that the proxy form must mention whether the proxy can vote on any new agenda item, or whether he should abstain from voting on it.

1.3.7 Remote voting

Provided the Board of Directors allows this under a special decision as mentioned in the notice of the meeting, the shareholders may cast their votes by letter or electronically before the General Meeting, using a form prescribed and provided by the Company to the shareholders. This form shall at least contain the following information:

- the shareholder's name, firm or corporate name;
- his place of residence or registered office;
- the number of shares with which he shall be participating in the voting, and the type of the same;
- proof of fulfilment of the meeting attendance formalities;
- the agenda of the meeting, including draft resolutions;
- the method of voting or abstention for every resolution in the agenda;
- the period within which the Company should receive the remote voting form;
- the shareholder's signature, and, wherever appropriate, through an advanced electronic signature as per Article 4§4 of the Act of 9 July 2001 prescribing rules on the legal framework for electronic signatures and certification services, or through an electronic signature as per Article 1322 of the Civil Code.

Forms that do not mention the method of voting or abstinence from voting shall be void. If, during the meeting, there is a change in a draft resolution on which voting has been completed, the vote cast shall be invalid.

If the voting form is sent by letter, the Company must receive the same no later than the sixth day preceding the General Meeting. Voting may be electronically done up to the day prior to the General Meeting.

The form for remote voting sent to the Company for a specific meeting shall be valid for all subsequent meetings with the same agenda.

For quorum and majority calculations as per the rules, only the remote votes cast by shareholders who have fulfilled the aforesaid meeting admission formalities, shall be counted.

A shareholder who has voted remotely, by letter or electronically, may no longer choose any other form of participation in the meeting, in respect of the number of votes cast in this manner.

In exercise of the right of the shareholders who hold at least 3% of the share capital of the Company, it is possible that a modified agenda of the General Meeting shall have to be circulated no later than on the 15th day prior to the relevant General Meeting. In such case, the Company website must provide an additional proxy form for voting by letter.

The forms that the Company has received for remote voting, by letter or by electronic means, before publication of an augmented agenda, shall be valid for the related agenda items to be discussed at the meeting. In deviation from the same, the voting on an agenda item to be discussed at the meeting, for which a new draft resolution has been submitted by shareholders who represent at least 3% of the share capital, shall be void.

1.3.8 Conduct of the meeting

The Chairman of the Board of Directors shall chair General Meetings of Shareholders.

Each share shall carry one vote. Every resolution approved by a majority of votes shall be deemed to have been passed. The decision to amend the articles of association of the Company requires the quorum and a majority of the votes cast, as prescribed by law.

1.3.9 Minutes of Meeting

The minutes of General Meetings of Shareholders shall contain the following information concerning each resolution: (i) the number of shares for which valid votes were cast, (ii) the percentage of the share capital of the Company represented by these shares, (iii) the total number of valid votes, and (iv) the number of votes for or against each resolution, and the number of abstentions if any.

These minutes shall be published on the Company website within 15 days after the relevant General Meeting.

1.4 Institutional shareholders

The Chairman and the CEO of Zenitel have informal contacts and discussions with (institutional) investors and/or their voting agency about their vision and opinion on the corporate governance of Zenitel and ask explanations about their voting.

2 THE BOARD OF DIRECTORS OF ZENITEL - TERMS OF REFERENCE

2.1 Nomination of Directors. End of directors' duties

In accordance with Articles 11 to 18bis of its articles of association, Zenitel is governed and represented by a Board of Directors. The articles of association also foresee in the possibility to establish a management committee in accordance with Article 524bis of the Belgian Company Code. Such committee has not yet been installed.

The Directors of Zenitel are elected for a period of maximum six years by a simple majority decision of the General Shareholders' Meeting. At present however, the Directors are appointed for a period of maximum three years, in accordance with the Code.

Each Director may be dismissed at any time by a simple majority decision of the General Shareholders' Meeting. Directors may at any time resign. Directors should resign when they reach the age of 65. Exceptions on this rule are nevertheless possible in particular circumstances.

Both natural persons and legal entities may be appointed as Directors. If a legal entity is appointed as a Director, this legal entity should, in accordance with Article 61, §2 of the Belgian Company Code, appoint a natural person as a permanent representative. This permanent representative is personally liable for the exercise of the director's mandate.

Every Director whose mandate comes to an end can be reappointed by the General Meeting.

The number of Directors is determined by the General Shareholder's Meeting at the proposal of the Board of Directors, it being understood that there must be at least three Directors. In accordance with the articles of association, the number of Directors is limited to twelve.

Should a Director prematurely terminate his mandate, in accordance with Article 11 of the articles of association, the remaining Directors are entitled to provide for a temporary replacement (co-optation). The next General Shareholders' Meeting is then requested to ratify this directorship.

The Board of Directors pays particular attention to ensuring efficient decision-making, reconciling the need for continuity and renewal within the Board of Directors and ensuring the required diversity (including gender diversity) and the complementary nature of the members of Board of Directors.

2.2. Composition of the Board of Directors

Directors are elected by the General Shareholders' Meeting on the proposal of the Board of Directors. The Board of Directors bases its proposal on the recommendation of the Nomination and Remuneration Committee and formulates a proposition on the duration of the mandate, gives information of relevant professional competences of each candidate with a view to obtaining a good balance of skills such as finance, sector knowledge, operational experience, strategic thinking, and ability to assess business models. Hereby the Board of Directors relies on the recommendation of the Nomination and Remuneration Committee and indicates in its motion the proposed duration term of the mandate, information on the relevant professional qualifications of the candidate, as well as a list of the current positions held by the candidate. It is also indicated if the candidate meets the independence criteria specified in Article 526ter of the Belgian Company Code.

Before every new appointment, the Nomination and Remuneration Committee assesses the skills, knowledge and experience already present within the Board of Directors, and those needed, as well as the (gender) diversity of the Board of Directors. On the basis thereof, a profile of the candidate is developed.

In its recommendation, the Board of Directors takes into consideration the knowledge, skills and experience of each candidate with a view to obtaining a good balance of skills such as finance, sector knowledge, operational experience, strategic thinking, ability to assess business models, etc., and accordance with the detailed profile is being pursued.

One member of the Board of Directors is elected as Chief Executive Officer ("CEO") of Zenitel. He is charged with the daily management ("dagelijks bestuur") of the Company (executive mandate). The CEO cannot also be the Chairman of the Board.

At least half of the members of the Board of Directors should be non-executive and the Board of Directors strives to have at least one third of its members (round to the first whole number) of the other sex as the other members. There should be at least two independent members and the Board of Directors strives to have at least three independent members. The assessment of independence of a Director should be made, taken into account the following criteria, and in accordance with Article 526ter of the Belgian Company Code:

- is not a person who has held office as an executive member of the Board of Directors, or as a member of the management committee of the Company, or as a person responsible for day-to-day management of the Company, for a period of five years prior to his appointment, either in the Company, or in any company or person affiliated thereto, as defined in Article 11 of the Company Code;
 - has not held more than three consecutive terms as a non-executive Director on the Board of Directors, without such period exceeding twelve years;
 - has not been a member of the senior management within the meaning of Article 19,2° of the Act of 20 September 1948 on business organisation, within the Company, or within a company or person affiliated to the Company, as per Article 11 of the Company Code, for a period of three years prior to his appointment;
 - has not received or obtained any remuneration or other significant pecuniary benefit from the Company or from a company or person affiliated to the same, as per Article 11 of the Company Code, in addition to the bonuses and the remuneration that he may receive or has received as a non-executive member of the Board of Directors, or as a member of the supervisory body;
 - a) does not hold any corporate interests that represent one-tenth or more of the capital, of the corporate funds or of a class of shares of the Company;
- b) if he holds corporate interests that represent a share of less than 10%:
- such corporate interests, taken together with the corporate interests held in the same company by companies controlled by the Independent Director do not amount to one-tenth of the share capital, the corporate funds or of a class of shares of the Company; or
 - the acts of disposal of the said shares, or the exercise of the rights attached thereto, should not be subject to agreements or unilateral commitments that the independent member of the Board of Directors has entered into;
- c) in no case represents a shareholder who fulfils the requirements of this item;
- has no significant business relationship, nor has had such relationship in the previous financial year, with the Company or with an affiliated company or person as defined in Article 11 of the Company Code, either directly or as a partner, shareholder, as a member of its board of directors, as a member of the executive cadre within the meaning of Article 19,2° of the Act of 20 September 1948 on business organisation, of a company or a person who maintains such a relationship;
 - has not, in the last three years, been a partner or employee of the current or former Auditor of the Company, or of a company or a person affiliated to the same, as per Article 11 of the Company Code;

- not an executive member of the board of directors of another company in which an executive Director of the Company is acting in the capacity of non-executive member of the board of directors or as a member of the supervisory body, with no other significant links with executive Directors of the Company by holding posts in other companies or managing bodies;
- not have a spouse, legally cohabiting partner or blood relatives or relatives up to the second degree who hold a mandate in the Company or in a company or person affiliated to the same, as defined in Article 11 of the Company Code, of a member of the board of directors, member of the management committee, person charged with the day-to-day management or member of the supervisory staff within the meaning of Article 19,2° of the Act of 20 September 1948 on business organisation, or fits within one or more of the categories described in the foregoing sub-sections.

Independence is assessed on the basis of the information supplied by the Director or candidate director to Zenitel, as well as the information which Zenitel itself reasonably possesses. If the concerned Director loses his independence in the course of his mandate, he should inform the Board immediately. The loss of this independence does in principle not result in the end of the current director's duties of the Director concerned. In this case, Zenitel will take all necessary measures to re-attain the above-mentioned required number of independent Directors within her Board of Directors.

2.3. The Chairman of the Board of Directors

The Chairman is elected among the members of the Board of Directors for a period which in principle corresponds to his term as a Director. He is elected on the basis of his knowledge, professional skills, experience and his ability to mediate. If it is considered to appoint the former CEO as the Chairman, the Board of Directors will carefully consider the pros and cons of such a decision and indicate in the CG Declaration why this appointment is in the best interests of the Company.

The Chairman is responsible for ensuring that the Board of Directors operates in accordance with this Charter. Where necessary, he is assisted with this task by the Committees.

The Chairman organizes and leads the Board of Directors. He plans the meetings of the Board of Directors and, in cooperation with the CEO and Company Secretary, draws up the schedule of meetings of the Board of Directors and the Committees. He prepares the general agenda for meetings of the Board of Directors, covering the topics that have to be discussed during the year, as well as the agenda for each meeting, indicating for each item on the agenda whether this is for information, discussion or decision.

The Chairman promotes continuous interaction and dialogue within the Board of Directors. The

Chairman ensures that the Board of Directors receives up-to-date and relevant information about important aspects of the strategy, the business activities and the financial situation of Zenitel, including developments regarding competition. He takes initiatives to help establish and perpetuate a climate of respect, trust and openness within the Board of Directors in general and between the non-executive members of the Board of Directors and the CEO and the Senior Management in particular. The Chairman establishes a close relationship with the CEO, provides support and advise, while fully respecting the executive responsibilities of the CEO.

The Chairman ensures that new members of the Board of Directors receive an appropriate guidance program and that the training needs of individual Board members are identified and satisfied.

2.4. Company Secretary

The Board appoints a Company Secretary. He/she assists the Board, the Chairman, and the Committees in the performance of their duties. The Company Secretary gives advice on all governance issues. He/she ensures proper information sharing within the Board of Directors and the Committees and between the Executive Management and non-executive Directors. He/she assists new Directors with their initial training and helps them in their further professional development. All Board members have access to the Company Secretary for advice and services.

The Company Secretary assists the Chairman in the organization of matters relating to the Board (preparing meetings, drafting minutes...).

The Company Secretary may delegate his or her duties arising under this Charter, or parts thereof, to the legal counsel or other staff members of Zenitel.

2.5. Functioning of the Board of Directors

The Board of Directors is convened by the Chairman or, if he is unavailable, by the CEO. The Board must also be convened upon the request of two directors, acting jointly.

The Chairman, assisted by the Company Secretary, ensures that all the Directors are informed properly and in time of each of the items on the agenda. Each Director prepares thoroughly for meetings of the Board of Directors and takes an active part in the deliberations and discussions.

Invitations and related documents for the Board of Directors are sent out at least one week before the meeting in question. This period can be shortened in cases of extreme urgency.

The Board of Directors can only validly deliberate if half of the directors are present or represented.

The meetings of the Board of Directors can be validly held by video or teleconference or through other internet based communication tools. In these cases, the meetings are considered to be held at the Company's registered office, if at least one of the Directors was physically present at the registered office of the Company.

Although according to Article 13 of the articles of association, a Director can grant written power of attorney to another Director, the Directors are fully aware that their physical presence at meetings of the Board of Directors is preferable. Also it is defined that one Director can only represent two other Directors by power of attorney.

Every member of the Board of Directors is entitled to request the assistance of external experts. The costs of this are borne by Zenitel.

The Board of Directors acts as a collegial body and in so doing takes decisions by a simple majority. In the event of a tied vote, the Chairman casts the deciding vote. Without infringing the rules on directors' liability and the right of each Director to have his vote and the reasons for this recorded in the minutes, each director loyally implements the decisions of the Board of Directors.

In exceptional circumstances, when this is required by urgent necessity and the interests of Zenitel, the Board of Directors may approve a proposal by means of a unanimous, written agreement.

The Board of Directors meets each time this is required in the interests of Zenitel and in order to complete its assignments in an effective way, and approximately four times a year. The dates for these meetings are established for the coming calendar year at the final meeting of the current calendar year.

The Board of Directors assesses at regular times (and at least every two to three years) its own size, composition and performance and of its Committees and the individual Directors, and its interaction with the CEO and Senior Management. The non-executive Directors regularly evaluate their interaction with the CEO and Senior Management. To do so, they meet at least once a year in the absence of the CEO and other executive Directors, if any.

The Chairman closely monitors issues as the preparation, participation and collegiality of the members of the Board and the committees. On the basis of the results of this evaluation, the Chairman proposes appropriate measures to the Board of Directors. These may involve a proposal from the Board of Directors to the General Shareholders' Meeting to replace certain Directors or appoint new Directors.

2.6. Tasks and obligations of the individual directors

All Directors bear in mind first and foremost the interests of the Company, taking account of the interests of all current and future shareholders of Zenitel. For all Directors, both the executive and the non-executive Directors, it is important that they decide on the basis of an independent judgment.

Each Director is bound by a duty to maintain discretion and preserves the confidentiality of the deliberations of the Board of Directors and the committees or of other information relating to Zenitel with the utmost care.

Directors do not undertake any competing activity in respect of Zenitel or its subsidiaries, either directly or indirectly. As far as is possible, each Director arranges his personal and commercial interests so that no conflicts of interest with Zenitel can arise. However, if any conflict of interest arises, the Director concerned informs the Chairman of this, and the Chairman takes the necessary steps with a view to applying the valid regulations on conflicts of interest prescribed by the Belgian Company Code. Should there be any question of a conflict of interest involving the Chairman, then he informs the independent Director with the most years' service of this, and the latter takes the necessary steps with a view to applying the valid regulations on conflicts of interest.

Irrespective of whether a particular activity falls under the legal regulations on conflicts of interest, Directors are not permitted to conclude agreements, directly or indirectly, with Zenitel or its subsidiaries relating to the provision of services or goods, or to conclude any other transaction or agreement, except with the express consent of the Chairman or two Directors who are not concerned (as far as this does not fall automatically under the authority of the Board of Directors). The Chairman or the Directors in question examine whether these agreements are entered into under the usual commercial conditions and in line with the market. If the Chairman grants permission, this is announced at the next Board of Directors' meeting.

The same procedure is also applicable on the CEO and other members of the Senior Management of Zenitel.

2.7. Areas of competence and representation of the Board of Directors

The Board of Directors accounts to the General Meeting of Shareholders. The responsibility for the supervision of the management of Zenitel rests with the Board of Directors as a collegial body. The Board of Directors ensures that i) Zenitel's obligations towards its stakeholders are met (stakeholders means, any party having an interest in Zenitel) and that ii) there is an adequate representation of the Board of

Directors at the General Shareholders' Meeting. The Chairman leads the meeting and in principle all Board members or at least a majority are present. The role of the Board should evolve taking into account any changing necessities of Zenitel.

The first priority of the Board of Directors is to protect the interests of Zenitel. Independence of judgment is required in the decisions of all Directors.

To the extent permitted by law and within the limits of the articles of association, the Board of Directors is authorized to decide on:

1. Zenitel's values and strategy as well as its general policy, its risk appetite and key policies regarding the most important assets and offerings;
2. the exclusive powers of the Board of Directors in accordance with the Company Code (such as drawing up of annual accounts and reports, proposals of decisions to the General Meeting of Shareholders);
3. actions reserved to the Board in accordance with the articles of association and the Code;
4. any actions which may lead to the application of Articles 523 and 524 of the Company Code in relation to conflicts of interests;
5. any merger, acquisition or joint venture of Zenitel, initiated by an external party;
6. any merger, acquisition or joint venture by Zenitel, which would have an impact for Zenitel, calculated at more than EUR 500,000;
7. all final year and capex budgets;
8. the necessary financial and human resources for Zenitel to meet its objectives;
9. all financial transactions (i) influencing the shares of Zenitel, (ii) instituting financial covenants, or (iii) transforming long term debts into short term debts;
10. any sale of a branch of Zenitel, real estate, trademarks or know-how, having an impact for Zenitel at more than EUR 150,000;
11. any large contracts with customers, where the offer exceeds EUR 5,000,000;
12. the strategy on Investor Relations and communication with the Shareholders;

13. the strategy on dividends or on share issues;
14. a modification of the accounting rules;
15. the appointment and dismissal of the Managing Director ("orgaan van dagelijks bestuur" or "CEO") after advice of the Nomination and Remuneration Committee;
16. the appointment and dismissal of the members of the Senior Management and the modification regarding their employment agreements (including promotions, salary and benefits), after advice of the Nomination and Remuneration Committee;
17. the review of the existence and functioning of the internal control system, after advice of the Audit Committee, including ensuring the adequate identification and management of risks (including those relating to compliance with existing legislation and regulations);
18. determine the structure, powers, duties and performance reviews of the CEO and the Senior Management, these should offer sufficient latitude to propose and implement corporate strategy; evaluation of the Senior Management's performance and the realization of the corporate strategy;
19. the quality and completeness of the disclosed financial and non-financial information and in particular ensuring the integrity and timely disclosure of the financial and non-financial information to the shareholders, after advice of the Audit Committee;
20. the selection of the Statutory Auditor (as a proposition to the General Shareholders' Meeting) and/or External Auditor and the supervision of his performance, after advice and taking into account the evaluation of the Audit Committee;
21. the evaluation of the implementation of an Internal Audit function and the risk management system and the approval of a whistle-blower procedure, after advice of the Audit Committee;
22. the Corporate Governance structure of Zenitel and compliance with the provisions of the Code;
23. the appointment of a Company Secretary and a Compliance Officer and the set-up of an Insider Dealing Policy for Directors and the designation of other persons to which the policy applies and the determination of the duties and responsibilities of the Compliance Officer;
24. the content, format and periodicity of the reporting by the CEO and the Senior Management to the Board members;
25. evaluation of the effectiveness of the committees of the Board of Directors.

The Company is validly represented in law in respect of third parties by two Directors acting jointly, without the need to provide proof of a prior decision of the Board of Directors.

As regards matters of day-to-day management, Zenitel is also validly represented in law by the CEO, acting alone.

Both the Board of Directors and CEO, each acting within their respective areas of competence and under their own responsibility, can grant special powers of attorney to persons within Zenitel. These special powers of attorney are examined regularly and, if necessary, improved, modified or withdrawn.

3 THE COMMITTEES OF THE BOARD OF DIRECTORS OF ZENITEL

3.1 Audit Committee Terms of Reference

3.1.1 Overall Purpose

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities.

The Audit Committee supervises the financial reporting process, the efficiency of the system of internal control and management of financial risks, the internal and external audit process and its effectiveness, the independency of the external auditor, the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. The review of the audit and the reporting thereon must cover both the Company and its subsidiaries, so the Zenitel Group as a whole.

In performing its duties, the Audit Committee maintains effective working relationships with the Board of Directors, CEO, Senior Management, and the internal and external auditors. To perform his or her role effectively, each committee member has an understanding of the detailed responsibilities of committee membership as well as the Company's business, operations, and risks.

3.1.2 Authority

The Board of Directors authorises the Audit Committee, within the scope of its responsibilities, to:

- Seek any information it requires from any employee (and all employees are directed to co-operate with any request made by the Audit Committee) and external parties;
- Obtain outside legal or other professional advice; and
- Request the attendance of company officers at meetings.

3.1.3 Organisation

The Audit Committee comprises at least 3 non-executive directors, who need to dispose of the appropriate expertise regarding accounting matters and audit, and who are able to make an independent judgement with respect to the matters the Audit Committee is responsible for. Taking into account the size and structure of the Company, at least one member (instead of half of the members as recommended by the Code) should be an independent director. At least one of the members has experience in the field of bookkeeping and accounting. The chairman of the Audit Committee is nominated by the Board of Directors. The chairman of the Board should not chair the Audit Committee. Members are appointed for a term in parallel with nominations of directors. A quorum for any meeting is two members. The secretary of the Audit Committee is the Company Secretary.

3.1.4 Attendance at Meetings

The Audit Committee may invite persons (e.g. the CEO, CFO, the statutory auditor and internal auditors of Zenitel) to its meetings, at all times.

The internal and external auditors are invited to make presentations and to deliberate with the audit committee.

Meetings are held at least four times a year, and each time the Board of Directors draws up the financial statements, the consolidated financial statements and the abridged financial statements intended for publication. Special meetings may be convened as required. The internal auditors or the external auditors may convene the Audit Committee if they consider that it is necessary.

3.1.5. Roles and Responsibilities

The Audit Committee has the following most important duties:

- Evaluate whether management is setting the appropriate “control culture”;
- Assess the current areas of greatest financial risk and how management is managing these effectively;
- Investigate, together with the internal and external auditors, any fraud, illegal acts, deficiencies in internal control or other similar issues;
- Check the efficiency of the internal control and risk management systems at least once a year, in order to ensure an effective identification, management and publication of the main risks;
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- Ask management and the internal and external auditors about significant risks and exposures and the plans to minimise such risks;
- Review any legal matters which could significantly impact the financial statements;
- Review the annual financial statements and determine whether they are complete and consistent with the information known to the committee members; assess whether the financial statements reflect appropriate accounting principles;
- Pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- Meet with management and the external auditors to review the financial statements and the results of the audit;

- Being informed on how the management edits press releases, recurrent financial statements and briefings to analysts; monitor the impact of the internal and external audit as well as the implementation by the management of the findings and comments of the internal and external audit and the extent to which such information is being checked by the external auditors;
- Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from management and internal and external auditors;
- Review the activities and structure of the internal audit function and ensure no unjustified restrictions or limitations are made;
- Review the qualifications of internal audit personnel and concur in the appointment, replacement, reassignment or dismissal of the personnel of internal audit, as well as make a proposal on the allocated budget for the internal audit; revise the work program of the internal auditor;
- Review the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope;
- Review the performance of the external auditors;
- Evaluate the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company; edit a policy and submit it to the Board of Directors, containing a listing of the services of the external auditor that are (i) excluded, (ii) permitted after assessment of the Committee, or (iii) allowed without reference to the Committee;
- Make recommendations to the Board of Directors regarding the appointment, reappointment and resignation of the external auditor and the conditions of its appointment.

3.1.6. Evaluation

The Audit Committee regularly reports on the performance of its duties, and at least when the Board of Directors draws up the financial statements, the consolidated financial statements and where appropriate the abridged financial statements intended for publication.

3.2 The Nomination and Remuneration Committee Terms of Reference

3.2.1 Overall Purpose

Taken into account the size of the Company, the Board of Directors has decided to install one single Nomination and Remuneration Committee, instead of two separate committees (Nomination Committee and Remuneration Committee).

3.2.2 Authority

The Nomination and Remuneration Committee ensures that the procedure for appointing and reappointing Directors, Committee members, CEO, Executive Team and Senior Managers of Zenitel and its subsidiaries is as objective and professional as possible. The Committee ensures that the remuneration policy applied, in this respect, is as objective as possible.

3.2.3 Organisation

The Nomination and Remuneration Committee consists of at least three non-executive Directors, with at least the majority of the members being independent. The Remuneration Committee needs to possess the necessary expertise in the field of remuneration policy.

The Chairman of the Board of Directors or another non-executive Director is the Chairman of the Nomination and Remuneration Committee, except (in case the Chairman of the Board of Directors is the Chairman of the Committee) when the Committee is dealing with the designation of his successor, in which case the Chairman of the Board of Directors is being involved, yet may not chair the meeting. The CEO also participates to the meetings maintaining an advisory vote when the remuneration of the members of the Senior Management is being treated.

3.2.4 Roles and Responsibilities

The Nomination Committee advises the Board of Directors on and makes recommendations regarding:

- Applications for and the appointment of Directors, Committee members, CEO, the Executive Team and Senior Managers; the Committee takes herewith into consideration the proposals for appointment from relevant parties, including the management and the shareholders;
- The scope and composition of the Board of Directors, the Committees, CEO, the Executive Team and Senior Management;
- The individual remuneration and the remuneration policy for the Directors, members of the Committees, the CEO, the Executive Team and Senior Management including their variable remuneration and long term incentives whether or not linked to shares, in the form of stock options or other financial instruments, as well as early retirement (severance pay) schemes and proposals if any arising from the same, to the General Meeting of Shareholders
- The remuneration report (see chapter 3.2.6).

The Nomination and Remuneration Committee also illustrates the remuneration report on the Ordinary General Meeting.

When carrying out its duties with regards to remuneration, the Nomination and Remuneration Committee takes account of that which is customary in Belgium and abroad in the sector in which Zenitel operates and in companies of a similar scope to Zenitel and of the remuneration policy as set out in chapter 5.

Once a year, The Nomination and Remuneration Committee discusses the operation and performance of the key staff. The parameters in this respect are clearly specified by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee meets at least twice a year and in any case each time changes have to be made to the composition of the Board of Directors, the Committees, the Executive Team or Senior Management.

The Nomination and Remuneration Committee regularly reports to the Board of Directors on the performance of its tasks.

3.2.5 Evaluation

The Nomination and Remuneration Committee reviews on a regular basis (and at least every two to three years) its internal regulations, evaluates its efficiency and makes recommendations to the Board of Directors on necessary changes.

3.2.6 Remuneration report

The Nomination and Remuneration Committee will make a proposal to the Board of Directors of a remuneration report that has to be included in the CG Declaration. The Board of Directors will also notify the remuneration report to the works council, or if there is none, to the staff representatives in the committee for prevention and protection at work, or if there is none, to the trade union delegation.

This remuneration report will contain, according to the Code and the applicable statutory provisions, at least the following information:

1. a description of the internal procedure applied for the development of a remuneration policy, as well as to define the remuneration of the Directors, CEO and members of the Executive Team;
2. a declaration concerning the policy in force for the remuneration of Directors, CEO and of the other members of the Executive Team (including the principles underlying the remuneration, indicating the relationship between the remuneration and performance; the relative importance of the various components of the remuneration; the characteristics of performance bonuses in shares, options or other rights to acquire shares, information concerning the remuneration policy

- for the next two financial years; particular mention should be made of any radical changes in the remuneration policy over the financial year reported on;
3. on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly by the Company, its subsidiaries or any other company that belongs to the consolidation group, granted to the directors (including the executive directors, but in the capacity of director);
 4. if the CEO or other members of the Executive Team are eligible for remuneration based on the performance of the Company, or of a company that belongs to the consolidation group, or of a business unit or the person concerned himself, the criteria for evaluating performance against the objectives, the indication of the evaluation period, and the description of the methods used to determine whether these performance criteria have been met; this information shall be provided in such a manner that confidential information about the strategy of the Company is not revealed;
 5. on an individual basis, the amount of the remuneration and other benefits directly or indirectly granted by the Company or a company that belongs to the consolidation group, to the CEO, and on an overall basis, the amount of the remuneration and other benefits that are directly or indirectly granted to the other members of the Executive Team, in which connection a division is made between (i) the basic salary; (ii) the variable remuneration, being all additional remuneration linked to performance criteria, with a mention of the form in which the same is paid; (iii) a declaration concerning the applicable pension schemes and a mention of the amounts paid during the financial year in question, or the costs of the services provided during the financial year in question, according to the type of the pension plan; (iv) other components of the remuneration, such as the costs or the value of insurance and benefits in kind (with an explanation of the special aspects of the main components) if there is a radical change in this remuneration in comparison to the financial year reported on, and/or if the Company makes a substantial deviation from its remuneration policy; a particular mention should be made of all of the above;
 6. on an individual basis, the number and main characteristics of the shares, share options or other rights to acquire shares that are granted to the CEO or to the Executive Team or that are exercised or have lapsed during the previous financial year;
 7. if on or after 1 July 2009, the contract of employment of the CEO or any other member of the Executive Team provides for a severance pay exceeding 12 months but less than 18 months' basic and variable remuneration, on an individual basis, the circumstances subject to which such higher severance pay could be paid, and the justification thereof;
 8. on an individual basis, the provisions relating to severance pay that were agreed with the CEO or other members of the Executive Team;

9. if the CEO or other members of the Executive Team vacate office, the justification and the decision of the Board of Directors, on the recommendations of the Appointments and Remuneration Committee, whether the concerned parties are eligible for the severance payment and the basis for calculating the same;
10. the degree to which a determination is made in favour of the Company, of a recovery right of the variable remuneration that is paid to the CEO and the other members of the Executive Team based on incorrect financial information.

4 DAILY MANAGEMENT

4.1 Composition and function

The Board of Directors has delegated the day-to-day management in the meaning of Article 525 of the Company Code to the Chief Executive Officer (CEO) of Zenitel, reporting directly to the Board of Directors. The CEO is elected among the members of the Board of Directors for a period which, in principle, corresponds to his directorship, on a proposal from the Nomination and Remuneration Committee.

The CEO meets the Chairman of the Board of Directors on a regular basis, involves him in strategy initiatives from the outset, consults him regularly on all relevant matters and in particular items on the agenda of meetings of the Board of Directors and the Committees.

In 2010, the Company established an Executive Team. The Executive Team is appointed by the Board of Directors. The role of the Executive Team is, among others, to review envisaged acquisitions, mergers and divestments, review corporate restructuring programs, update and develop alternative long term strategies and present this to the Board of Directors, and to execute actions based on decisions of the Board of Directors. The Executive Team is established to ensure the fast and efficient management and control of the activities and to enable adequate reporting and exchange of information with the Board of Directors and within the Senior Management Team.

The CEO is supported by the other members of the Senior Management Team who are in charge of the operational activities of the Zenitel Group. The members of the Senior Management Team are appointed by the Board of Directors on the proposal of the Nomination and Remuneration Committee.

The Board of Directors is informed of the activities of the subsidiaries and investments through a management reporting. On a monthly basis all entities enter their financial figures in the overall reporting

system. These monthly figures and reports are analysed and verified by the Finance department under the supervision of the CFO. On a regular basis summaries of these reports are sent to the Board of Directors.

4.2 Tasks, authority and representation

In general, the CEO and (under the leadership of the CEO) and members of the Senior Management Team responsible for the day-to-day management of the Company. In case of doubt or if so requested by a Director, the CEO shall place a proposal before the Board of Directors for approval, which shall lie within the scope of authority of the executive board. The CEO shall consult with the Chairman concerning the calling of a meeting of the Board of Directors.

In particular, but without being limited to the following, the CEO and the members of the Senior Management Team shall be responsible for:

1. ensuring internal controls within the framework approved by the Board of Directors;
2. proposing a complete, timely, reliable and accurate preparation of the annual accounts of the Company, to the Board of Directors that shall be in conformity with the applicable standards and the policies of the Company in this regard;
3. the mandatory publication, by the Company, of the annual accounts and other material financial and non-financial information;
4. providing the Board of Directors with a balanced and intelligible assessment of all the elements that the Board requires in order to perform its duties; and
5. providing justification and information to the Board of Directors concerning the exercise of its duties.

The Company shall be legally represented by the CEO, acting alone, in connection with the day-to-day management of the Company. Special powers may be conferred on members of the Senior Management Team. The Company shall be legally represented by holders of special authorisations, within the limits of their respective mandates.

4.3 Evaluation

The CEO and members of the Senior Management are evaluated by the Board of Directors, which sets up a clear procedure to this purpose.

5. THE REMUNERATION POLICY OF ZENITEL

5.1 General

The remuneration of the Board Members is approved by the General Shareholders' meeting. The remuneration of the CEO and Senior Management is defined by the Board of Directors after consultation of the Nomination and Remuneration Committee.

As a general rule, the Company and its subsidiaries do not grant personal loans or guarantees to its personnel or members of the Board of Directors.

Zenitel has subscribed for appropriate liability insurance for the Directors and Senior Management (both for Zenitel NV and its subsidiaries).

5.2 Remuneration of the members of the Board of Directors and its Committees

The non-executive members of the Board of Directors are remunerated with a fixed amount; no variable remunerations are being granted. The Chairman receives the double amount.

In the past, warrants have been attributed to Board Members but not as an incentive fee. The last attribution in this respect was in 2001. The CEO is the only Executive Director. In his quality of Director, he does not receive any remuneration.

The members of the Audit Committee are also remunerated with a fixed amount per year for the exercise of their mandate. The Chairman of the Audit Committee receives the double amount. The members of the Nomination and Remuneration Committee do not receive any remuneration.

5.3 Remuneration of the CEO and the Executive Team

The remuneration of the CEO and Executive Team consists out of three parts, namely: fixed part, variable part and possibly warrants. The variable part is calculated on the basis of a fix amount (which is defined in the employment or management agreement), multiplied by a performance factor. The latter is made-up of parameters which are established annually by the Nomination and Remuneration Committee.

5.4 Contracts with the CEO and Executive Team

5.4.1 Variable remuneration

The contracts entered into with the CEO or with members of the Executive Team should mention the criteria applied to determine the variable remuneration. Such variable remuneration may only be paid if the criteria for the period indicated are satisfied. The contract shall also contain specific provisions concerning the premature termination of the contract

Unless expressly approved by the General Meeting, in cases where the variable remuneration relates to more than one-fourth of the annual remuneration, at least one-fourth of the variable remuneration granted to the CEO and the members of the Executive Team should be based on predetermined and objectively measurable performance criteria over a period of at least two years, and at least another one-fourth should be based on predetermined and objectively measurable performance criteria over a period of at least three years.

5.4.2 Severance pay

The severance pay in case of early termination of the contract with the CEO or a member of the Executive Team shall in principle not exceed twelve (12) months' basic and variable remuneration.

For contracts entered into or renewed after 3 May 2010, special prior approval by the next ordinary General Meeting shall be required before payment of severance pay exceeding twelve (12) months' basic and variable remuneration, or eighteen (18) months' basic and variable remuneration, upon the reasoned recommendations of the Nomination and Remuneration Committee to this effect. Such a request must be notified to the Works Council at least 30 days before the date of publication of the notice calling the next Annual General Meeting, or if no Works Council exists, to the employee representatives on the committee for prevention and protection at work or, if there is none, to the union delegation. At the request of one of the parties in the Works Council, or respectively, the employee representatives on the committee for prevention and protection at work, or the trade union delegation, they shall make a recommendation to the General Meeting. The request for a recommendation must be submitted at least 20 days before the date of calling the meeting. The recommendation shall be submitted no later than the date of publication of the notice of the meeting, and published on the website of the Company. In any case, if the person vacating office has not met the performance criteria referred to in his contract, the severance pay should not exceed the basic remuneration for twelve (12) months, and the variable remuneration shall not be taken into account.

6 CODE OF CONDUCT REGARDING INSIDE INFORMATION AND TRANSACTIONS IN SHARES OF ZENITEL NV

During its meeting of 14 March 2017, the Board of Directors approved the Code of Conduct regarding inside information and transactions in financial instruments of Zenitel NV, hereby attached as an appendix.

INTRODUCTION

Anyone who is employed by the Zenitel Group (as defined below) may, in the course of normal business, make use of or gain access to Inside Information (as defined below). These "insiders" have an important ethical duty and a legal obligation not to engage in dealings that are prohibited by the Applicable Legislation (as defined below). Insider Dealing and Market Manipulation are offences. Those concerned and the companies of the Zenitel-Group may face criminal and/or administrative penalties and bear civil liability.

The Company has adopted this Code to prevent the Applicable Legislation being infringed by employees, authorised agents and Directors of the Zenitel Group and to avoid even the appearance of unlawful conduct by these persons.

This Code seeks to fulfil a twofold aim: (i) to inform those concerned within the Company of their main duties under the Applicable Legislation on Insider Dealing and unlawful disclosure of Inside Information, the prohibition on Market Manipulation, Transactions by Persons Discharging Managerial Responsibilities and the Persons Closely Associated with them and (ii) to incorporate additional safeguards for Dealing by Directors and Key Employees (as defined below).

DEFINITIONS

Unless expressly determined otherwise elsewhere, the following terms as used in this Code will be understood as follows:

Applicable Legislation	(i) Regulation (EU) n°596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time (hereinafter
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	<p>the "MAR");</p> <p>(ii) Law of 2 August 2002 on the monitoring of the financial sector and financial services as amended from time to time (hereinafter the "WFT");</p> <p>(iii) any other applicable law or regulation relating to the subject matter of this Code.</p>
Related Financial Instrument	Any derivative financial instrument of a Financial Instrument.
Audit Committee	The audit committee of the Company.
Director	A member of the Board of Directors of the Company.
CEO	The CEO ("Chief Executive Officer") of the Company.
Compliance Officer	The person, appointed by the Board of Directors, responsible for the monitoring of the compliance by the Directors and the Key Employees with this Code.
Subsidiary	A company within the meaning of Article 6 of the Belgian Company Code.
Financial Instrument	A financial instrument within the meaning of Article 2, 1° of the WFT.
Inside Information	<p>Any information</p> <p>(i) of a precise nature;</p> <p>(ii) which has not been made public;</p> <p>(iii) relating directly or indirectly to one or more issuers of Financial Instruments or to one or more Financial Instruments; and</p> <p>(iv) which, if it were made public, would</p>

be likely to have a significant effect on the prices of those Financial Instruments or the Related Financial Instruments.

It is assumed that information would be likely to have a significant effect on the prices of the (Related) Financial Instruments if a reasonable investor would be likely to partially base his investment decisions on such information.

Information shall be considered to be of a precise nature if it indicates a set of circumstances that exists or which may reasonably be expected to come into existence, or an event that has occurred, or the occurrence of which may reasonably be expected, and if the information is specific enough to be able to draw a conclusion as to the possible effect of that set of circumstances or event on the price of the (Related) Financial Instruments.

In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

An intermediate step in a protracted process shall be deemed to be Inside Information if, by itself, it satisfies the criteria of Inside Information as referred to above.

Company/Zenitel	Zenitel NV.
Zenitel Group	The Company and its Subsidiaries.
Key Person(s)	Employee(s) or other person(s), such as consultants and independent managers who, further to their position or employment within the Zenitel Group, are probably regularly in possession of Inside Information, as indicated exhaustively in a list kept up to date by the Compliance Officer and possibly handed over to the Belgian Financial Services and Markets Authority ("FSMA") or any other regulatory body.
Board of Directors	The board of directors of the Company or any of its Subsidiaries.
Dealing	Any selling or buying, or agreement to sell or buy, any Financial Instruments or Related Financial Instruments of the Company whatsoever; entering into a contract for value variances or any other contract designed to secure profit or avoid loss in respect of fluctuations in the price of Financial Instruments or Related Financial Instruments of the Company; the granting, acceptance, acquisition, disposal, exercising or surrendering of an option (for purchase (call) or sale (put) or both) or any other right or obligation, now or in the future, conditional or unconditional, to acquire or dispose of Financial Instruments or Related Financial Instruments, or to acquire or dispose of an interest in Financial Instruments of the Zenitel Group and the cancelling or amending of an order relating to the Company's Financial Instruments or Related Financial Instruments.
Employee(s):	Employee(s) of the Company or its Subsidiaries.

Employee Participation Plan	Any share option or warrant plan introduced by the Company or by any of its Subsidiaries and further to which Financial Instruments or Related Financial Instruments issued by the Company can be allocated to all or some of the Employees, Directors and/or service providers of the Company and/or its Subsidiaries.
Insider Dealing	<p>Possessing Inside Information and using that Inside Information by:</p> <ul style="list-style-type: none">(i) acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, the Financial Instruments to which this Inside Information relates;(ii) cancelling or amending an order concerning a Financial Instrument to which the Inside Information relates where the order was placed before the person concerned possessed the Inside Information. <p>The use of the recommendations or inducements provided by a person possessing Insider Information amounts to Insider Dealing where the person using the recommendation or inducement knows or ought to know that it is based upon Inside Information.</p> <p>Where the concerned person is a legal person, this definition shall also apply to the natural persons who participate in the decision to carry out the acquisition, disposal, cancellation or amendment of an order for the account of the legal person concerned.</p>

Market Manipulation

1. Entering into a transaction, placing an order to trade or any other behaviour which (a) gives, or is likely to give, false or misleading signals about the supply of, demand for, or price of, a Financial Instrument; or (b) secures, or is likely to secure, the price of one or several Financial Instruments at an abnormal or artificial level; unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market practice within the meaning of Article 2, (2) WFT;

2. Entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several Financial Instruments, which employs fictitious device or any other form of deception or contrivance;

3. Disseminating information through the media, including the internet, or by any other means, which gives or is likely to give false or misleading signals as to the supply of, demand for, or price of, a Financial Instrument, or secures, or is likely to secure, the price of one or several Financial Instruments at an abnormal or artificial level, including the dissemination of rumours, where the person concerned knew or should have known that the information was false or misleading;

4. Transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which

	<p>manipulates the calculation of a benchmark.</p> <p>The behaviours listed in Article 12§2 of the MAR shall, inter alia, be considered as Market Manipulation.</p> <p>Where the concerned person is a legal entity, this definition shall also apply to the natural persons who participate in the decision to carry out activities for the account of the legal person concerned.</p>
<p>Person Discharging Managerial Responsibilities</p>	<p>Any person within the Company who:</p> <ul style="list-style-type: none"> (i) is a member of the administrative, management or supervisory body of the Company; or (ii) a senior executive who is not part of any of the abovementioned bodies, who has regular access to Inside Information which is directly or indirectly related to the Company, and who has the power to take managerial decisions affecting the Company's future developments and business prospects.
<p>Person Closely Associated</p>	<ul style="list-style-type: none"> (i) The spouse, or the partner who is legally equivalent to a spouse, of a Person Discharging Managerial Responsibilities; (ii) a dependent child of a Person Discharging Managerial Responsibilities; (iii) a relative who has shared the same household as the Person Discharging Managerial Responsibilities for at least one year on the date of the transaction concerned; or (iv) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a Person Discharging

	Managerial Responsibilities, or by the abovementioned closely associated persons, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person; or the economic interests of which are substantially equivalent to those of such a person.
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CHAPTER I: PROHIBITION ON INSIDER DEALING AND UNLAWFUL DISCLOSURE OF INSIDE INFORMATION

1. No legal advice

This first chapter is confined to a summary of a number of main duties further to the Applicable Legislation on Insider Dealing and unlawful disclosure of Inside Information, insofar as this legislation relates to the Financial Instruments issued by the Company.

This summary, and this Code in general, does not constitute legal advice and should not be relied upon as such. All Employees and persons employed within the Zenitel Group are personally responsible for ensuring that their conduct complies fully with the Applicable Legislation at all times, and must seek personalised legal advice when this is appropriate.

2. Prohibitive clauses

Those in possession of Inside Information are prohibited from:

- (a) engaging or attempting to engage in Insider Dealing;
- (b) unlawfully disclosing Inside Information to others, unless this occurs in the context of the normal exercise of an employment, a profession or duties, or disclosing those recommendations or inducements onwards where the disclosing person know or ought to know that it was based on Inside Information;
- (c) recommending that another person engages in Insider Dealing or inducing another person to engage in Insider Dealing, by:
 - (i) recommending, on the basis of that information, that another person acquires or disposes of Financial Instruments to which that information relates, or inducing that person to make such an acquisition or disposal; or
 - (ii) recommending, on the basis of that information, that another person cancels or

amends an order concerning a Financial Instrument to which that information relates, or inducing that person to make such a cancellation or amendment.

However, it shall not be deemed from the mere fact that a person is in possession of Inside Information that that person has used that information and has thus engaged in Insider Dealing on the basis of an acquisition or disposal:

- a) where that person conducts a transaction to acquire or dispose of Financial Instruments and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against Insider Dealing and:
 - (i) that obligation results from an order placed or an agreement concluded before the person concerned possessed Inside Information; or
 - (ii) that transaction is carried out to satisfy a legal or regulatory obligation that arose, before the person concerned possessed Inside Information,
- b) where such person has obtained that Inside Information in the conduct of a public takeover or merger with a company and uses that Inside Information solely for the purpose of proceeding with that merger or public takeover, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any Inside Information has been made public or has otherwise ceased to constitute Inside Information.

This exception shall not apply to stake-building.

The mere fact that a person uses its own knowledge that it has decided to acquire or dispose of Financial Instruments in the acquisition or disposal of those Financial Instruments shall not of itself constitute use of Inside Information.

Nevertheless, an infringement of the prohibition of Insider Dealing may still be deemed to have occurred if the FSMA establishes that there was an illegitimate reason for the orders to trade, transactions or behaviours concerned.

3. Concerned persons

The prohibitions referred to above shall apply to any person who possesses Inside Information as a result of:

- a) being a member of the administrative, management or supervisory bodies of Zenitel;
- b) having a holding in the capital of Zenitel;
- c) having access to the information through the exercise of an employment, profession or duties;
- d) being involved in criminal activities; or
- e) circumstances other than those mentioned above where that person knows or ought to know that it is Inside Information.

4. Legal action and penalties

Infringements of the prohibitive clauses described in section 2 above may lead to both administrative and criminal sanctions.

Anyone who infringes the prohibitive clauses concerned may be found guilty of an administrative infringement. The FSMA is competent to prosecute administrative offences and has wide-ranging investigative powers for this purpose.

It can impose the following maximum administrative pecuniary sanctions: (i) in respect of a natural person, EUR 5,000,000 and (ii) in respect of a legal person, EUR 15,000,000 or, if higher, 15% of the total annual turnover of the legal person. The relevant total annual turnover shall be determined based on the last annual accounts drawn up by the boards of directors. If the legal person has no turnover, the relevant total annual turnover shall refer to the corresponding type of income determined either in accordance with the relevant accounting directives, or, if they do not apply to the legal person, in accordance with the law of the state in which the concerned legal person has its statutory office. If the legal person is a parent company or a subsidiary of a parent company who must draw up consolidated accounts, the relevant total annual turnover shall be based on the last consolidated accounts approved by the boards of directors of the ultimate parent company.

If the infringement has resulted in profits or has permitted to avoid losses, this maximum amount may be increased to three times the amount of the profits gained or losses avoided.

Criminal proceedings can be instituted for an infringement of the prohibitive clauses described above.

The authority to institute criminal proceedings for Insider Dealing and unlawful disclosure of Inside Information is bestowed on the Public Prosecutor (however, the FSMA does have the authority to intervene in the course of a criminal procedure). Each criminal infringement is punishable with imprisonment from three months up to one year and with a criminal fine currently ranging between EUR 50 to EUR 10,000 (to be multiplied by 7 as additional penalties (centimes additionnels/opcentiemen)). In addition, the perpetrator may be sentenced to pay a sum equal to a maximum of three times the financial profits directly or indirectly resulting from the infringement. Furthermore, a prohibition may also be imposed to exercise certain mandates (such as that of a board member, commissioner or manager of a company) and specific confiscation measures may be pronounced.

5. Generality of application

The prohibitive clauses described above do not apply solely to Financial Instruments or Related Financial Instruments of the Company. They also have a general scope of application.

Consequently, it cannot be excluded that information obtained within the Zenitel Group constitutes Inside Information in respect of Financial Instruments and/or Related Financial Instruments of other (Belgian or foreign) companies whose (Related) Financial Instruments are admitted to trading on a regulated or organized market. Directors, managers and Employees of the Zenitel Group must therefore be aware that they could be found guilty of Insider Dealing with regard to or unlawful disclosure of Inside Information (Related) Financial Instruments of other companies by using Inside Information acquired within the Zenitel Group.

It is therefore strongly recommended not to engage in Dealing in (Related) Financial Instruments of direct or indirect competitors of the Company whose (Related) Financial Instruments are admitted to trading on a regulated or organized market.

CHAPTER II: PROHIBITION OF MARKET MANIPULATION

1. Prohibitions

A person shall not engage or attempt to engage in Market Manipulation.

2. Prosecution and sanctions

Violations of the prohibitions set out above, under 1, may lead to both administrative and criminal prosecution.

Anyone infringing upon such prohibitions may be found guilty of an administrative offence. The FSMA is competent to prosecute administrative offences and has wide-ranging investigative powers for this purpose. It can impose the following maximum administrative pecuniary sanctions: (i) in respect of a natural person, EUR 5,000,000 and (ii) in respect of a legal person, EUR 15,000,000 or, if higher, 15% of the total annual turnover of the legal person. The relevant total annual turnover shall be determined based on the last annual accounts approved by the boards of directors. If the legal person has no turnover, the relevant total annual turnover shall refer to the corresponding type of income determined either in accordance with the relevant accounting directives, or, if they do not apply to the legal person, in accordance with the law of the state in which the concerned legal person has its statutory office. If the legal person is a parent company or a subsidiary of a parent company who must draw up consolidated accounts, the relevant total annual turnover shall be based on the last consolidated accounts approved by the boards of directors of the ultimate parent company.

If the infringement has resulted in profits or has permitted to avoid losses, this maximum amount may be

increased to three times the amount of the profits gained or losses avoided.

Criminal proceedings can be instituted for an infringement of the prohibitive clauses described above. The power to prosecute for a criminal offense regarding Market Manipulation is bestowed on the Public Prosecutor (the FSMA has the power, however, to intervene during the criminal proceedings). Each criminal infringement is punishable with imprisonment from one month up to two years and with a criminal fine which varies between EUR 300 and EUR 10,000 (to be multiplied by 7 as additional penalties (centimes additionnels/opcentiemen)). Furthermore, specific confiscations may be pronounced.

CHAPTER III: TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1. List of Persons Discharging Managerial Responsibilities and Persons Closely Associated with them

The Compliance Officer shall draw up a list of all Persons Discharging Managerial Responsibilities and Persons Closely Associated with them.

The Compliance Officer shall inform the persons considered as Persons Discharging Managerial Responsibilities of their inclusion on this list.

2. Notification obligation

Persons Discharging Managerial Responsibilities, as well as Persons Closely Associated with them, shall notify Zenitel and the FSMA, of every transaction conducted on their own account, relating to the shares or debt instruments of Zenitel or to Related or other Financial Instruments issued by Zenitel linked thereto.

Such notifications shall be made promptly and no later than three (3) business days after the date of the transaction.

This obligation applies once the total amount of transactions executed by the Person Discharging Managerial Responsibilities or the Person Closely Associated has reached the threshold of EUR 5,000 within a calendar year, calculated by adding without netting all transactions. In such case, any subsequent transaction will have to be notified in accordance with the abovementioned paragraph.

Each Person Discharging Managerial Responsibilities shall notify the Persons Closely Associated with him/her of the abovementioned obligation in writing and shall keep a copy of this notification.

3. Concerned transactions

For the purpose of the abovementioned notification obligation, transactions that must be notified shall include all transactions listed in Article 10.2 of the Commission Delegated Regulation (EU) 2016/522 of 17 December 2015, as well as:

- a) the pledging or lending of Financial Instruments issued by Zenitel by or on behalf of a Person Discharging Managerial Responsibilities or a Person Closely Associated with such a person;

- b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a Person Discharging Managerial Responsibilities or a Person Closely Associated with such a person, including where discretion is exercised;
- c) transactions made under a life insurance policy, where:
 - (i) the policyholder is a Person Discharging Managerial Responsibilities or a Person Closely Associated with such a person,
 - (ii) the investment risk is borne by the policyholder, and
 - (iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

For the purposes of point a), a pledge, or a similar security interest, of Financial Instruments in connection with the depositing of the Financial Instruments issued by Zenitel in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility.

4. Content and mode of notification

The notification of a transaction must contain the following information:

- the name of the Person Discharging Managerial Responsibilities or, where applicable, the name of the Person Closely Associated with him;
- the reason for the notification;
- the mention of Zenitel as issuer;
- a description and the identifier of the Financial Instrument issued by Zenitel;
- the nature of the transaction(s) (e.g. acquisition or disposal), indicating whether it is linked to the exercise of share option program or to the specific examples of transactions set out above;
- the date and place of the transaction(s); and
- price and volume of the transaction(s). In the case of a pledge whose terms provide for its value to change, this should be disclosed together with its value at the date of the pledge.

The notification of a transaction to Zenitel and to the FSMA is done online through an application developed by the FSMA, as explained in the Quick User Guide of the FSMA attached as Annex 1.

The FSMA publishes the abovementioned information on its website.

5. Closed period

Without prejudice to the prohibitions contained in Chapters I and II, a Person Discharging Managerial Responsibilities shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of Zenitel or to derivatives or other Financial Instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report.

Without prejudice to the prohibitions contained in Chapters I and II, Zenitel may allow a Person Discharging Managerial Responsibilities within it to Deal on its own account or for the account of a third

party during a closed period either:

- a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or
- b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change.

6. Prosecution and sanctions

Violations of the notification obligation set out above, under 2, may lead to administrative sanctions. The FSMA has the power to prosecute the administrative offence, and to that end enjoys wide powers of investigation. It can impose the following maximum administrative pecuniary sanctions: (i) in respect of a natural person, EUR 500,000 and (ii) in respect of a legal person, EUR 1,000,000. If the infringement has resulted in profits or has permitted to avoid losses, this maximum amount may be increased to three times the amount of the profits gained or losses avoided.

CHAPTER IV: DEALING BY DIRECTORS AND KEY PERSONS

1. Introduction

The Company considers Directors and Key Persons being as probably in regularly possession of Inside Information. They must be particularly vigilant with regards to their duties under the Applicable Legislation. This chapter of the Code imposes additional duties on such Directors and Key Persons with a view to protecting the reputation for integrity of the Zenitel Group and avoiding even the appearance of any unlawful conduct. However, compliance with the rules set out in this chapter does not relieve Directors or Key Persons of the duty to ensure that their Dealings comply with the Applicable Legislation at all times.

2. List of Key Persons

The names of Key Persons having access to Inside Information are exhaustively set out in insider list(s), which are drawn up and promptly updated by the Compliance Officer. Separate lists will need to be drawn up for each case of Inside Information.

The insider list(s) must contain at least the following elements:

- the identity of the Key Persons and other persons having access to Inside Information;
- the reason for including that person on the insider list;
- the date and time at which that person obtained access to Inside Information;
- the date on which the insider list was drawn up.

The insider list(s) must be updated whenever

- there is a change in the reason for including a person on the insider list;
- there is a new person who has access to Inside Information and needs, therefore, to be added to the insider list; and
- a person ceases to have access to Inside Information, and therefore, no longer needs to be included in the list.

Each update shall specify the date and time when the change triggering the update occurred.

The list(s) must be provided to the FSMA as soon as possible upon its request, and must be retained for a period of at least five years after it is drawn up or updated.

By acknowledging this Dealing Code, Directors and Key Persons are informed of the rules regarding Insider Dealing and unlawful disclosure of Inside Information and the sanctions related to an offence.

Each Key Person whose name is added to or removed from the insider list(s) will be immediately informed thereof.

3. Permission to Deal

Directors and Key Persons may not Deal without having informed the Compliance Officer of this in advance and having obtained permission.

The Compliance Officer may not Deal without having informed the chairman of the Board of Directors and the chairman of the Audit Committee of this in advance and having obtained permission from both of them.

Permission for specific Dealing must be granted or refused within five working days of receipt of the request and, if granted, is given for a period of 20 days as of the day on which the Director or Key Persons concerned has received permission, it being understood that in any case, permission granted lapses three days before a Closed Period as described under section 5 below.

The Director or Key Persons concerned must inform the Compliance Officer immediately after he/she has Dealt. If such information is not received, the Company will assume that the Dealing was not undertaken.

All requests for permission and all permission granted or refused are sent by e-mail.

The Compliance Officer must keep a written record of

- (i) each request for permission received;
- (ii) each time permission is granted or refused; and
- (iii) each notification of Dealing undertaken.

The Director or Key Person concerned must receive confirmation of each request received or each notification received and each time permission is granted or refused.

4. Refusal to give permission

It is possible that permission to Deal will not be granted:

- a) during the Closed Period as defined below in Chapter IV, Section 5;
- b) at any other time when the Compliance Officer otherwise has reason to assume that the planned Dealing constitutes an infringement of this Code.

5. Closed Periods

Directors and Key Persons may not Deal during the following periods (each a "Closed Period"):

- (a) the period of thirty days immediately preceding the preliminary announcement of the annual results, which runs up to (and including) the working day after the announcement or, if this is shorter, the period that begins on the final day of the financial year in question and runs up to (and including) the working day after the announcement;
- (b) the period of thirty days immediately preceding the preliminary announcement of the interim results, which runs up to (and including) the working day after the announcement or, if this is shorter, the period that begins on the final day of the interim period in question and runs up to (and including) the working day after the announcement.

At the end of each financial year, the Board of Directors will announce the Closed Periods referred to under (a) and (b) for the following financial year. Any modifications to these periods (resulting from modifications to the financial year or other changes) occurring during the course of the financial year will be announced immediately.

Directors and Key Persons must give instructions to their investment managers or others dealing on their behalf not to Deal during Closed Periods, except for transactions (i) undertaken by persons professionally arranging or executing transactions on behalf of Directors and Key Persons in full discretion or (ii) pursuant to an irrevocable order given before the Closed Period. Directors and Key Persons must ensure that subsidiaries that they control, within the meaning of Article 5 of the Belgian

Company Code, do not Deal during Closed Periods.

Directors and Key Persons should ensure that the Persons Closely Associated with them do not Deal during Closed Periods.

6. Other restrictions

In the Company's opinion, Dealing by Directors and Key Persons for purely speculative reasons paves the way towards unlawful conduct - or at least the appearance of unlawful conduct. For this reason, Directors and Key Persons may not Deal out of short-term considerations.

Directors and Key Persons may not recommend other people not to Deal in Financial Instruments or Related Financial Instruments on the basis of Inside Information in their possession.

7. Exemptions relating to an Employee Participation Plan

As an exemption to this chapter IV "Dealing by Directors and Key Persons" the following is authorised without prior permission, but only in the context of an Employee Participation Plan:

- (i) the acceptance of Financial Instruments or Related Financial Instruments issued by the Company in the context of such Employee Participation Plan;
- (ii) the subscription to Financial Instruments issued by the Company in the context of such Employee Participation Plan.

To avoid any doubt, it is specified here that the exemptions provided for in this Chapter IV, Section 7, do not apply to, and that the other provisions of this Code continue to apply in full to:

- (i) the exercise of any Related Financial Instruments issued by Zenitel; and
- (ii) the Dealing in Financial Instruments or Related Financial Instruments that are acquired further to the exercising indicated under (i) above.

If, in the context of an Employee Participation Plan, the ultimate exercise date of Related Financial Instruments issued by the Company falls within a period described in Chapter IV, Section 5, during which no permission can be granted to Deal and the Director/Key Person himself has no reason to assume that the exercising itself constitutes an infringement of this Code, the Director/Key Person in question may ask the Compliance Officer to grant permission for the exercising.

In this case, the Compliance Officer will grant permission for the exercising in the period during which no permission to Deal can otherwise be given in accordance with Chapter IV, Section 5, as an exception to the rules set out in Chapter IV, Section 5, except in the event that the Compliance Officer has reason to

assume that the planned exercising constitutes an infringement of this Code. Such permission will only be granted for the exercising of the Related Financial Instruments and will not constitute permission for other Dealing.

To avoid any doubt, it is specified here that nothing that is stipulated in this Chapter IV, Section 7 may be interpreted as an exemption for the Director/Key Person from the duty to comply fully with the general obligations referred to in Chapter I "Prohibition on Insider Dealing and unlawful disclosure of Inside Information", Chapter II "Market Manipulation" and, if applicable, Chapter III "Transactions by Persons Discharging Managerial Responsibilities and Persons Closely Associated with them").

CHAPTER V: OBLIGATIONS OF DIRECTORS AND KEY PERSONS IN RESPECT OF INSIDE INFORMATION

Directors and Key Persons will maintain the confidential nature of privileged information and, as the case may be, Inside Information. With a view to this obligation they will, amongst other things:

- a) refrain from commenting on the Company to analysts, brokers, the press, etc. and immediately refer such persons to the person designated for this purpose by the Company;
- b) use code names for sensitive projects;
- c) use passwords on the computer system to restrict access to documents containing Inside information;
- d) restrict access to areas where privileged information can be found or where Inside Information is discussed;
- e) store sensitive information (Inside Information, as the case may be) safely;
- f) not talk about Inside Information in public places (e.g. lifts, hall, restaurant);
- g) place the word "confidential" on documents that contain Inside Information and use sealed envelopes bearing the word "confidential";
- h) copy documents containing Inside Information as little as possible;
- i) if appropriate, have a type of register signed by those who consult Inside Information;
- j) keep and regularly update the list of persons who have access to confidential information (Inside Information, as the case may be), and restrict access to Inside Information to those who need to know;
- k) never leave Inside Information unattended;
- l) always remind Employees who come into contact with Inside Information of the confidential nature of the information and the fact that this confidentiality must be maintained;
- m) when faxing Inside Information, always check the fax number and check that someone with access to this information is present to receive it.

The above is not in any way a complete list. Directors and Key Persons will always have to take all other appropriate measures, depending on the actual circumstances.

CHAPTER VI: FINAL PROVISIONS

The Applicable Legislation regarding this matter is subject to changes. Updates of this Code will be communicated whenever this should be necessary.

The Company will take care to ensure that all persons employed by the Zenitel Group are informed of the existence and content of this Code and that its provisions (included updates) are enforceable upon them where applicable.

In addition, all Directors and Key Persons are obliged to confirm that they understand the content of the Applicable Legislation and this Code and to undertake to comply with it by signing a declaration to this effect, in the form as shown hereafter.

Annex 1: Quick user guide regarding the electronic application for the notification of transactions by Persons Discharging Managerial Responsibilities and the Persons Closely Associated with them ("eMT").

Certification

I hereby confirm that I have read and understood this Code and I undertake to comply with it, as well as with any future versions or updates thereof.

I acknowledge to be informed of the legal and regulatory duties entailed and am aware of the sanctions applicable to Insider Dealing and unlawful disclosure of Inside Information.

Provided I have been informed by Zenitel to be considered as a Person Discharging Managerial Responsibilities, I expressly acknowledge to have been notified of the specific obligations relating to this status.

I agree that my name, other personal data and transactions can be communicated to the FSMA or any other regulatory body whenever this is mandatory by law or any other regulation.

I acknowledge that without prejudice to other legal means provided for by law, an infringement of the provisions of the Applicable Legislation and of this Code can constitute grounds for the termination of my employment agreement, consultancy agreement or other relationship with the Zenitel Group for urgent reasons.

Done in _____ on _____ .

Name:

Function: