

The logo for FOTEX, featuring the word "FOTEX" in a stylized, bold, sans-serif font with a slight shadow effect.

HOLDING SE PUBLIC COMPANY LIMITED BY SHARES

# CORPORATE GOVERNANCE CHARTER OF FOTEX HOLDING S.E.

Luxembourg, as of 30<sup>th</sup> January, 2019

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**FOTEX HOLDING S.E.**

272, RUE DE NEUDORF, L-2222 LUXEMBOURG

Grand-Duché de Luxembourg

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VAT: LU - 23482745

R.C.S. LUXEMBOURG : B - 146938

MATRICULE: 2009 8400 010

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HOLDING SE PUBLIC COMPANY LIMITED BY SHARES

## 1. General overview

Fotex Holding S.E. (hereinafter referred to as the “Company”) is a European public limited company registered in the Grand-Duchy of Luxembourg under the registration number R.C.S.B 146938 and is regulated under the laws of the Grand-Duchy of Luxembourg. The Company’s current registered address is situated at 272, rue de Neudorf, L-2222 Luxembourg, Grand-Duchy of Luxembourg.

The Company was incorporated in 1984 in Hungary as a limited liability company under the denomination of *FOTEX Első Amerikai-Magyar Fotószolgáltatási Kft. (Fotex the First American-Hungarian Photo Service Company)*. The purpose of the Company at that time was to perform quick photo processing. In 1988, it started contact lenses production, selling its products first in wholesale and later in its own retail stores. Between 1988 and 1995, the Company purchased shares in different companies and started to develop its group structure.

In 1990, the Company obtained the listing of its shares on the Budapest Stock Exchange (ISIN: HU0000096409). In the following 15 years, the Company acquired participations in various companies, increased and rationalized its investment portfolio and became a vertically integrated company involved in the manufacturing, wholesale, retail and service sectors

In 2005, following the ongoing increase of the Company’s group, the name of the Company was changed to *Fotex Első Amerikai-Magyar Vagyonkezelő Nyrt. (Fotex the First American-Hungarian Holding Company PLC)*. In order to achieve an international expansion and to reach the flexibility needed for the future expansion targets, the Company was transformed into a European Company (société européenne) in 2008. Following this transformation, the Company was renamed to *Fotex Holding S.E.* on 1<sup>st</sup> January 2009.

On 4<sup>th</sup> June 2009, the extraordinary general meeting of the Company held before a Luxembourg notary resolved to transfer the Company’s registered seat to Luxembourg. The Company took the Luxembourg nationality and the Articles were restated in order to comply with the Luxembourg legislation. The purpose of this transfer was to expand the Company’s activities to an international level and to develop new markets due to their business strategies.

Further to the transfer of its registered office from Hungary to Luxembourg, the Company was registered (and continues to be registered) with the Luxembourg *Registre de Commerce et des Sociétés* on 9<sup>th</sup> July 2009, under number B146938.

The ordinary shares of the Company were admitted to the official list of the Luxembourg Stock Exchange as of 23<sup>rd</sup> February 2012. The Board of Directors of the Company decided on the full transfer of the Company’s shares listed on the Budapest Stock Exchange to the Luxembourg Stock Exchange. The date of transfer was 30<sup>th</sup> March 2012. Following the transfer of the shares from the Budapest Stock Exchange the shares are traded only on the Luxembourg Stock Exchange.

As of 2012 the Company adopts and applies the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

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The Company is primarily the holding company of a group of subsidiaries (Fotex and its subsidiaries, hereinafter referred to as the “Group”) incorporated in Luxembourg, The Netherlands and Hungary which are engaged in a variety of property management, manufacturing, retailing and other activities. Except for Fotex Holding S.E. (ultimate parent company) and Upington Investments S.à r.l., which are registered in Luxembourg, and Fotex Netherlands B.V., FN2 B.V. and FN3 B.V., which are registered in The Netherlands, all subsidiaries of the Group are registered and operate in Hungary. The ownership of consolidated subsidiaries, after considering indirect shareholdings, is as follows (as at 31<sup>st</sup> December, 2016):

<b><u>Name of the subsidiary</u></b>	<b><u>Principal activities</u></b>	<b><u>Shareholding (%)</u></b>
Ajka Kristály Kft.	Crystal manufacturing and retail	100
Fotex Netherlands B.V.	Property management	100
FN 2 B.V.	Property management	100
FN 3 B.V.	Property management	100
FN 4 B.V.	Property management	100
FN 5 B.V.	Property management	100
LTCRE Fund B.V.	Property management	100
Plaza Park Kft.	Property management	100
Fotexnet Kft.	Internet retail and other services	100
Hungaroton Music Zrt.	Music archive	99.2
Keringatlan Kft.	Property management	100
Sigma Kft.	Property services	100
Székhely 2007 Kft.	Property services	99.1
Upington Investments S.à r.l.	Investment holding	100

The Group has operations in The Netherlands, Luxembourg and in Hungary. From a management point of view the Group is divided in 3 business lines, which are the following:

- Investment property holding, management and development
- Manufacturing of high quality goods
- Other – administration, service and holding activities

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

## **2. Capital of the Company**

### *2.1. Share capital*

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HOLDING SE PUBLIC COMPANY LIMITED BY SHARES

The Company's approved and issued share capital totals EUR 30,543,933 consisting of shares with a face value of EUR 0.42 each. As at 31<sup>st</sup> December 2018, the Company's issued share capital included 70,723,650 ordinary shares and 2,000,000 dividend preference shares.

The ordinary shares of the Company were admitted to the official list of the Luxembourg Stock Exchange as of 23<sup>rd</sup> February 2012 and have been accepted for clearance through Clearstream Luxembourg under common code number 041407409. The ISIN code of the Shares is HU0000096409.

The dividend preference shares carry the same rights as ordinary shares in the event of liquidation or dissolution. They entitle the holder to an annual dividend determined by the General Meeting, but do not carry voting rights.

Holders of dividend preference shares are not entitled to any rights or dividends other than those granted to them by the General Meeting. They are paid once a year. Interim dividends may only be paid if the conditions required for such a distribution are met.

If the Company is unable to pay these dividends in a given year or if it only pays part of the minimum due in a given year and fails to pay the balance at the time of payment of the dividends for the following year, holders of preference shares shall be granted identical voting rights to those reserved for ordinary shares. This voting right shall remain valid until such time as the Company has paid all the minimum dividends due in respect of the dividend-bearing preferred shares.

## 2.2. *Treasury shares*

In accordance with the Luxembourg laws, the Articles of the Company and the decision adopted during the extraordinary general meeting of shareholders of the Company held on 25<sup>th</sup> May 2016, the Company may re-purchase its own shares.

As at 31<sup>st</sup> December 2018, the Group held 28,803,409 treasury shares (of which 26,803,409 pieces are ordinary shares and 2,000,000 are dividend preference shares).

The 2,000,000 dividend preference shares issued by the Company which are shown as part of "Issued capital" are also shown in "Treasury shares". As of 25<sup>th</sup> February 2014 the Group owns all dividend preference shares issued by the Company.

## 2.3. *Shareholder structure*

The shareholder structure of the Company is published on the website from time to time in accordance with the Luxembourg laws.

As at 31<sup>st</sup> December 2018, the shareholder structure has been as follows:

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**Ownership structure – Shareholders exceeding 5% stake**

<b><u>Name</u></b>	<b><u>Shareholding</u></b>	<b><u>Number of shares</u></b>
Blackburn International Luxembourg S. à r.l.	50.35%	35,609,796
Fotex Holding and subsidiaries	37.90%	26,803,409
Free float	11.75%	8,310,445
<b><u>Ordinary shares total:</u></b>	<b><u>100.00%</u></b>	<b><u>70,723,650</u></b>

**3. General meetings of shareholders of the Company**

Luxembourg law distinguishes between ordinary general meetings of shareholders and extraordinary general meetings of shareholders. Extraordinary general meetings (convened to vote on any amendment of the Articles and certain other matters) are subject to the quorum and majority requirements described below. All other general meetings of shareholders (including the annual general meeting) are ordinary general meetings of shareholders.

**3.1. *Annual general meeting***

The annual general meeting of shareholders of the Company shall be convened by the Board of Directors at the registered office of the Company or at any other place indicated in the convening notice published in the Memorial, in one Luxembourg newspaper and on the Company's website.

**3.2. *Ordinary general meetings***

At an ordinary general meeting, there is no quorum requirement and resolutions are adopted by a simple majority, irrespective of the number of shares present or represented.

**3.3. *Extraordinary general meetings***

An extraordinary general meeting must have a quorum of at least 50% of the issued share capital. If this quorum is not reached, the extraordinary general meeting may be reconvened to a later date, subject to appropriate notification procedures, with no quorum requirement. Irrespective of whether the proposed amendment is subject to a vote at the first or at a subsequent extraordinary general meeting, the amendment is subject to the approval of at least two-thirds of the votes cast.

**3.4. *Procedure***

Procedure applicable in relation to general meetings of the Company will comply with Luxembourg law, including the Luxembourg law dated 24<sup>th</sup> May 2011 concerning the exercise of certain rights of shareholders at general meetings of listed companies.

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Any shareholder who holds one or more ordinary shares (*actions ordinaires*) of the Company on the fourteenth day prior to the general meeting at midnight (Luxembourg time) shall be admitted to vote at the general meeting of the shareholders. This date is the day of the proof of share ownership (the "Record Date"). The deposit of the shares after the record date is not requested by the Company to the exercise of voting rights.

Shareholders who wish to attend the general meeting in person, or a corporate shareholder wishing to send an authorised representative to attend the general meeting in person on its behalf, should notify the Company by returning an information letter to the Company (by mail at Fotex Holding, Société Européenne, 272, rue de Neudorf, L-2222 Luxembourg, Grand-Duchy of Luxembourg or by fax at +352 2899 9661 or by e-mail at [info@fotex.lu](mailto:info@fotex.lu)) by no later than by midnight on the Record Date mentioned above of that fact and, in the case of an authorized representative, supply evidence of the authority given to that person to represent the relevant shareholder. Only information letter forms provided from time to time on the website of the Company ([www.fotex.eu](http://www.fotex.eu)) shall be used and be taken into account.

Shareholders should also provide the Company with the relevant documentation evidencing their ownership of the shares by no later than on the seventh day at noon prior to the general meeting. Such documentation may be submitted to the Company by mail at Fotex Holding, Société Européenne, 272, rue de Neudorf, L-2222 Luxembourg, Grand-Duchy of Luxembourg or by fax at +352 2899 or by e-mail at [info@fotex.lu](mailto:info@fotex.lu).

In the event that any shareholder votes through proxies, the proxy form has to be deposited at the registered office of the Company no later than by the seventh day at noon prior to the general meeting. The proxy may be submitted to the Company by mail at Fotex Holding, Société Européenne, 272, rue de Neudorf, L-2222 Luxembourg, Grand-Duchy of Luxembourg or by fax at +352 2899 9661 or by e-mail at [info@fotex.lu](mailto:info@fotex.lu). Only proxy forms provided from time to time on the website of the Company ([www.fotex.eu](http://www.fotex.eu)) shall be used and be taken into account.

The registration of the shareholders will start at the place of the general meeting half an hour before the opening of the meeting.

The voting paper authorizing its holder to vote can be taken at the time of registration. The Company issues the voting paper for the shareholder or his/her proxy, if the shareholder or his/her proxy verifies his/her identity by an identity card or passport or, in case of companies, original company registration documents and specimen of signature during the registration interval preceding the meeting itself.

Every certificate of a share of EUR 0.42 face value entitles a shareholder to one vote in the Meeting. A shareholder can vote with his voting paper indicating the strength of the voting power to be exercised in the Meeting.

One (1) or more shareholders holding together at least five (5) % of the share capital of the Company have the right to put items on the agenda of the Meeting and to table draft resolutions for items included or to be included on the agenda of the Meeting.

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These requests must be in writing and sent to the Company by postal services or electronic means at 272, rue de Neudorf, L-2222 Luxembourg, Grand-Duchy of Luxembourg or at [info@fotex.lu](mailto:info@fotex.lu). They must be accompanied by a justification of draft resolution to be adopted in the Meeting. Furthermore, they must indicate the postal or electronic address at which the Company may acknowledge receipt of these requests.

In addition, these requests must be received by the Company not later than on the twenty-second (22) day prior to the date of the general meeting. The Company shall acknowledge receipt of the requests within forty-eight (48) hours from receipt.

The Company then has to publish a revised agenda not later than on the fifteenth (15) prior to the date of the meeting.

All the documents which will be submitted to the general meeting are available on the website of the Company ([www.fotex.eu](http://www.fotex.eu)) as published from time to time.

The Board, the Audit Committee or the Auditor may convene a general meeting. Such a meeting must also be convened if shareholders representing at least 10% of the share capital of the Company address a written request to this effect to the Company, indicating the object of and reasons for convening such a general meeting. If the Board fails to convene a general meeting within thirty days of such a request, the concerned shareholders may ask the President of the Luxembourg commercial court to convene the general meeting.

### *3.5. Change in control*

The Articles do not contain provisions that would have an effect of delaying, deferring or preventing a change in control of the Company.

### *3.6. Disclosure of share ownership*

The Articles do not contain provisions governing the ownership threshold above which shareholder ownership must be disclosed.

The Luxembourg law dated 11<sup>th</sup> January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market provides that, if a person acquires or disposes of a shareholding in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% or 66 2/3% of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event.

A person must also notify the Company and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below the abovementioned thresholds as a result of events changing the breakdown of voting rights.

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The shareholders of the Company are advised to consult with their legal advisers to determine whether the notification obligations apply to them.

### *3.7. Mandatory Bids, Squeeze-out Rights and Sell-out Rights*

**Mandatory Bids:** The Luxembourg law dated 19<sup>th</sup> May 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21<sup>st</sup> April 2004 on takeover bids (the "Takeover Law") provides that if a person, acting alone or in concert with others, acquires securities of the Company which, when added to any existing holdings of the Company's securities, give such person voting rights representing 33 1/3% of the voting rights attached to the issued shares in the Company, this person is obliged to make an offer for the remaining shares in the Company. In a mandatory bid situation the "fair price" is considered to be the highest price paid for the securities during the 12-month period preceding the mandatory bid.

**Squeeze-out Rights:** The Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and after such offer the offeror holds 95% of the voting rights, the offeror may require the holders of the remaining securities to sell those securities (of the same class) to the offeror. The price offered for such securities must be a "fair price". The price offered in a voluntary offer would be considered a "fair price" in the squeeze-out proceedings if 90% of the ordinary shares of the Company carrying voting rights were acquired in such voluntary offer. The price paid in a mandatory offer is deemed a "fair price". The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the offer.

**Sell-out Rights:** The Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and if after such offer the offeror holds 90% of the securities carrying voting rights and 90% of the voting rights, the remaining security holders may require that the offeror purchases the remaining securities of the same class. The price offered in a voluntary offer would be considered "fair" in the sell-out proceedings if 90% of the ordinary shares of the Company carrying voting rights were acquired in such voluntary offer. The price paid in a mandatory offer is deemed a "fair price". The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company.

Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the offer.

## **4. The Board of Directors, management structure**

### *4.1. The Board of Directors*

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The Company is managed by a board of directors (hereinafter referred to as the “Board of Directors” or the “Board”) composed of a minimum of five and a maximum of eleven directors. The Board of directors shall meet at least four times a year.

The directors shall be appointed by the general meeting of shareholders of the Company for a maximum period which will end at the annual general meeting of the Company to take place during the third year following their appointments. They shall remain in office until their successors are elected. They may be re-elected and they may be dismissed at any time by the general meeting, with or without cause.

The remuneration of the members of the Board of Directors is determined by the General Assembly.

In the event that one or several positions on the Board become vacant due to death, resignation or any other cause, the remaining Directors shall select a replacement in accordance with the applicable legal provisions, in which case this appointment shall be ratified at the next general meeting of the shareholders of the Company.

The Board shall elect a chairman from among its members.

The Articles provide that the directors can be natural or legal persons. The majority of the members of the Board must be “independent persons”.

Those are considered "independent persons" that do not maintain a legal or financial relationship with the Company outside their directorship.

Those cannot be considered an „independent person” that:

- a) are employed or were employed by the Company or its subsidiaries at the time of their appointment as a member of the Board of Directors,
- b) carry out paid work for the benefit of the Company or have technical, legal or financial responsibility towards the Company,
- c) are shareholders of the Company and hold, directly or indirectly, at least 30% of the voting rights or maintain family ties with such a person,
- d) receive financial benefits in association with the activities or results of the Company,
- e) have a legal relationship with a non-independent member of the Company in another company, in which the non-independent member has powers of management or control.

The remuneration of members of the Board shall be fixed by the general meeting of shareholders of the Company.

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The Board assesses the performance of the business of the Company and the operating methods during the board meetings held from time to time.

The Board is composed as follows:

<b>Name:</b>	<b>Position:</b>
Mr. Gábor VÁRSZEGI	Chairman of the Board
Mr. Dávid VÁRSZEGI	Member of the Board
Mrs. Anna RAMMER	Member of the Board
Mr. Wiggert KARREMAN	Member of the Board
Mr. Martijn J.G. WINDELS	Member of the Board
Mr. Bob DOLE	Member of the Board
Mr. Péter KÁDAS	Member of the Board
Mr. Gábor MOCSKONYI	Member of the Board

Each member of the Board of Directors is a high-qualified, honest and acclaimed specialist.

The Company publishes the information about the career of the Board of Directors' members on its website.

The Board of Directors shall be vested with the most extensive powers to manage the affairs of the Company and to carry out all measures and administrative acts falling within the scope of the corporate object. Any powers not expressly reserved for the General Meeting by the Articles of Association or by the law shall fall within the remit of the Board of Directors.

A General Meeting representing at least 50% of the ordinary shares may establish the limits and conditions applicable to the authorized capital, within the conditions laid down by the law. In this case, the Board of Directors is authorized and mandated to:

- carry out a capital increase, in one or several stages, by issuing new shares to be paid up either in cash, via contributions in kind, the transformation of debt or, subject to the approval of the Annual General Meeting, via the integration of profits or reserves into the capital;
- set the place and date of the issue or of successive issues, the issue price, and the conditions and procedures for subscribing and paying up the new shares;
- abolish or restrict the preferential subscription rights of shareholders with regard to new shares to be issued as part of the authorized share capital.

This authorization is valid for a period of five years from the publication date of the authorization deed and may be renewed by a General Meeting of shareholders for any shares of the authorized capital which have not been issued by the Board of Directors in the meantime.

Following each capital increase carried out and duly recorded according to the legal formalities, the first paragraph of the Articles of Association shall be amended in such a way as to reflect the increase

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carried out; this amendment shall be recorded in the notarial deed by the Board of Directors or any other authorized person.

#### 4.2. *The day-to-day management of the Company, Chief Executive Officer*

The Board of Directors may delegate any of its powers concerning the daily management and assign the representation of the Company regarding such management to one or more of the members of the Board of Directors, directors, authorised representatives, employees or other persons who need not be a shareholder of the Company or confer special powers or proxies, or permanent or temporary functions to persons or agents chosen.

Towards third parties, the Company is validly bound by the joint signatures of two members of the Board of Directors, by the individual signature of any person to whom signatory authority has been delegated by the Board of Directors or by the individual signature of the person appointed for daily management as part of management.

On 4<sup>th</sup> June 2009, the Board has appointed Mr. Gábor VÁRSZEGI as a director charged with the day-to-day management of the Company (*administrateur délégué*) for an unlimited term of office. Furthermore, on 25<sup>th</sup> August 2014, Mr. Dávid VÁRSZEGI was also appointed as a director charged with the day-to-day management of the Company. Accordingly, the Company shall be validly bound *vis-à-vis* third parties by the sole signature of any one *administrateur délégué*.

The Chief Executive Officer of the Company is Mr. Dávid VÁRSZEGI as of 25<sup>th</sup> August 2014.

#### **5. Specialised Committee(s) of the Company – The Audit Committee**

The Company has given consideration to its operating structure whereas it is a financial holding company, it does not have significant operational, trading or industrial activity at the holding level, therefore, it is in the opinion of the Board of Directors that the need for various special committees is not justified.

The Company has, however, established an audit committee (the “Audit Committee”) consisting of independent members of the Board of Directors for the functions of financial reporting, internal control and risk management.

The Audit Committee monitors the financial reporting process, the effectiveness of the Company's internal control, internal audit and risk management systems, monitors the statutory audit of the annual and consolidated accounts, reviews and monitors the independence of the *réviseur d'entreprises agréé* and in particular the provision of additional services to the Company.

The proposal of Board of Directors for the appointment of a *réviseur d'entreprises agréé* is based on a recommendation made by the Audit Committee.



The Audit Committee shall be composed of a minimum of three and a maximum of five persons. The members of the Audit Committee shall be appointed by the General Meeting of shareholders of the Company from among the members of the Board deemed to be “independent persons” for a period not exceeding their respective mandates.

The Audit Committee shall elect a chairman from among its members. The quorum shall be met at Audit Committee meetings when the members have been validly called to attend and when a minimum of two-thirds or three of its members are present. All of the Audit Committee’s decisions shall be taken by a simple majority vote. In the event of a tie, the person presiding over the meeting shall have the casting vote. They may be re-elected and they may be dismissed at any time by the General Meeting, with or without cause.

The Audit Committee is composed as follows:

- Ms. Anna Rammer
- Mr. Wiggert KARREMAN
- Mr. Martijn J. G. WINDELS
- Mr. Péter KÁDAS

The members of the Audit Committee were appointed at the Annual General Meeting of the Company held on 29<sup>th</sup> May 2018. The mandate of the members of the Audit Committee will expire at the Annual General Meeting of shareholders of the Company called to approve the Company’s annual accounts as at 31<sup>st</sup> December 2018.

## **6. External control**

### *6.1. Regulatory control*

The Company operates within a regulatory framework based on, among others, the Law of 10<sup>th</sup> August, 1915 on commercial companies, the Law of 11<sup>th</sup> May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and the Law of 11<sup>th</sup> January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

As an issuer of securities, the Company is subject to the prudential supervision of the *Commission de Surveillance du Secteur Financier* (“CSSF”) for activities in Luxembourg and to the obligations imposed by the Luxembourg Stock Exchange (“Bourse de Luxembourg”).

### *6.2. Audit*

#### *6.2.1. The auditor to the statutory annual accounts of the Company prepared under Lux GAAP*

The Luxembourg public company limited by shares *C-Clerc S.A.*, registered with the Luxembourg *Registre de Commerce et des Sociétés* under the registration number B200724 was appointed as auditor of the Company for the statutory audit of the annual accounts of the Company for the year



The logo for FOTEX, featuring the word 'FOTEX' in a stylized, bold, sans-serif font with a slight shadow effect.

HOLDING SE PUBLIC COMPANY LIMITED BY SHARES

ending as at 31<sup>st</sup> December, 2018 drawn-up in accordance with the Luxembourgish Generally Accepted Accounting Principles (“Lux GAAP”).

The auditor is a *cabinet de révision agréé* (approved audit firm) and member of the *Institut des Réviseurs d’Entreprises Luxembourgeois* (Luxembourg Institute of Auditors).

Its registered office is situated at 1, rue Pletzer, L-8080 Bertrange, Luxembourg, Grand-Duchy of Luxembourg.

The auditor was appointed by the general meeting of the shareholders of the Company to take care of the audit of the statutory annual accounts (Lux GAAP) of the Company.

The Company is submitted to an external audit to be performed annually by an auditor which is a member of the Luxembourg Institute of Auditors. The auditor controls the annual accounts and gives an opinion on whether the management report is consistent or not with the financial statements for the same period.

#### *6.2.2. The auditor to the consolidated financial statements of the Company prepared under IFRS*

The Luxembourg public company limited by shares *Ernst & Young, Société Anonyme*, registered with the Luxembourg *Registre de Commerce et des Sociétés* under the registration number B 47771, was appointed as *Réviseur d’entreprises agréé* of the Company.

The auditor is a *cabinet de révision agréé* (approved audit firm) member of the *Institut des Réviseurs d’Entreprises Luxembourgeois* (Luxembourg Institute of Auditors). It was appointed to audit the consolidated financial statements (IFRS) of the Company for the year ending as at 31<sup>st</sup> December, 2018.

Its registered office is situated at 35E, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

The auditor was appointed by the Company to take care of the audit of the consolidated annual accounts (IFRS) of the Company. The auditor of the Company performs the same checks as regards the consolidated accounts of Fotex Holding S.E.

Further to its mission of the auditor, it often plays a complementary role in prudential framework, it may perform special missions at the request of the supervisory authorities.

Based on observations made during the audit of the annual accounts, the auditors issue an audit report which is intended to draw attention to potential weaknesses in control procedures and make some proposals to improve controls. The findings of the auditor are then forwarded to the Audit Committee who will review and submit the audit report towards the board of directors for presentation to the general meeting of the shareholders of the Company.

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#### **FOTEX HOLDING S.E.**

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MATRICULE: 2009 8400 010

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HOLDING SE PUBLIC COMPANY LIMITED BY SHARES

Drawn-up in Luxembourg as of 30<sup>th</sup> January, 2019

The Board of Directors

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**FOTEX HOLDING S.E.**

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