

SEQUANA MEDICAL NV

Public limited liability company

Registered office: AA Tower, Technopark 122, 9052 Ghent, Belgium
VAT BE 0707.821.866 Register of Legal Entities Ghent, section Ghent

CORPORATE GOVERNANCE CHARTER

TABLE OF CONTENT

Section	Page
1. Introduction	3
2. General information	4
3. Board of Directors.....	5
4. Audit committee.....	12
5. Remuneration and nomination committee	15
6. Executive management	18
7. Shares and shareholders	21
8. Miscellaneous.....	23

1. INTRODUCTION

This Corporate Governance Charter (the "**Charter**") has been prepared by Sequana Medical NV (the "**Company**") in accordance with the Belgian Code on Corporate Governance, dated 12 March 2009. This Charter describes the main aspects of the corporate governance of the Company, including its governance structure, the terms of reference of the board of directors and its committees, and other important topics. The Charter must be read together with the Company's articles of association. The Charter and the articles of association are available on the Company's website (www.sequanamedical.com) and can be obtained free of charge at the Company's registered office.

The Company applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance and complies with the corporate governance provisions set forth in the Belgian Code on Corporate Governance, except in relation to the following:

- (a) Although at the date of this Charter, no share options have been granted to non-executive directors, the Company intends to award share-based incentives to the non-executive directors, upon advice of the remuneration and nomination committee. This is contrary to provision 7.7 of the Belgian Code on Corporate Governance that provides that non-executive directors should not be entitled to performance-related remuneration such as, amongst others, share-related long-term incentive schemes. The Company believes that this provision of the Belgian Code on Corporate Governance is not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry that are still in a development phase. Notably, the ability to remunerate non-executive directors with share options allows to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. The Company is of the opinion that granting non-executive directors the opportunity to be remunerated in part in share-based incentives rather than in cash enables the non-executive directors to link their effective remuneration to the performance of the Company and to strengthen the alignment of their interests with the interests of the Company's shareholders. This is in the interest of the Company and its stakeholders. Furthermore, this is customary for directors active in companies in the life sciences industry. In any event, the Company intends that the portion of the remuneration payable in share options will be limited.
- (b) Pursuant to article 520ter of the Belgian Companies Code and the guideline to provision 7.13 of the Belgian Code on Corporate Governance, shares should not vest and share options should not be exercisable within three years as of their granting. The Company's board of directors has been explicitly authorised in the Company's articles of association to deviate from this rule in connection with stock based incentive plans, compensations, awards and issuances to employees, directors and service providers of the Company and/or its subsidiaries (from time to time). The Company is of the opinion that this allows for more flexibility when structuring share-based awards. For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice.
- (c) On the date of this Charter, there will only be two independent directors on the Company's board of directors. This is contrary to provision 2.3 of the Belgian Code on Corporate Governance which provides that at least one half of the board should comprise non-executive directors and at least three of the non-executive directors should be independent directors. On the date of this Charter, the Company is in discussions with potential candidates and expects to strengthen its board with a third

independent director after the closing of the initial public offering of shares of the Company.

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally, and must be tailored to meet those changing circumstances. The board of directors of the Company intends to update this Charter as often as required to reflect changes to the Company's corporate governance.

This Charter was approved by the Company's board of directors and has entered into force on 12 February 2019, when the Company completed its initial public offering with admission of its shares to trading on the regulated market of Euronext Brussels. The board of directors of the Company will review this Charter from time to time and make such changes as it deems necessary and appropriate.

2. GENERAL INFORMATION

2.1. Company

The Company is a limited liability company organised in the form of a *naamloze vennootschap/société anonyme* under the laws of Belgium. The Company is registered with the legal entities register (Ghent, section Ghent) under number 0707.821.866. The Company's registered office is located at AA Tower, Technologiemark 122, 9052 Ghent, Belgium.

2.2. Group structure

The Company is the parent company of the Sequana Medical group. Further information on the Company's group structure and its shareholders can be found on the Company's website (www.sequanamedical.com).

2.3. Available information

The Company has filed its deed of incorporation and must file its restated articles of association and all other deeds and resolutions that are to be published in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad/Moniteur Belge*) with the clerk's office of the commercial court of Ghent, section Ghent, where they are available to the public. The Company is registered with the legal entities register (Ghent, section Ghent) under enterprise number 0707.821.866. A copy of the Company's most recent articles of association and this Charter are also available on its website free of charge (www.sequanamedical.com).

In accordance with Belgian law, the Company must prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the Company's board of directors and statutory auditor relating thereto must be filed with the Belgian National Bank, where they are available to the public. Furthermore, as a company with shares listed on the regulated market of Euronext Brussels, the Company is also required to publish an annual financial report (which includes its audited statutory and consolidated financial statements, the report of its board of directors and the report of the statutory auditor) and an annual announcement preceding the publication of the annual financial report, as well as a half-yearly financial report on the first six months of its financial year (which includes a condensed set of financial statements and an interim management report). Copies of these documents will be made available on the Company's website and on STORI, the Belgian central storage mechanism, which is operated by the Belgian Financial Services and Markets Authority ("**FSMA**") and can be accessed via stori.fsma.be or www.fsma.be.

The Company must also disclose inside information, information about its shareholder structure and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market and Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**") and related rules, as amended from time to time, such information and documentation will be made available through the Company's website, press releases, the communication channels of Euronext Brussels, on STORI, or a combination of these means. All press releases published by the Company are also made available on its website.

3. BOARD OF DIRECTORS

3.1. Governance structure

The Company has a "one tier" governance structure whereby the board of directors is the ultimate decision making body, with the overall responsibility for the management and control of the Company, and is authorised to carry out all actions that are considered necessary or useful to achieve the Company's purpose. The board of directors has all powers except for those reserved to the general shareholders' meeting by law or the Company's articles of association. The board of directors acts as a collegiate body.

3.2. Powers and responsibilities

Pursuant to this Charter, the role of the board of directors is to pursue the long term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The board of directors decides on the Company's values and strategy, its risk appetite and key policies.

In particular, the board of directors is responsible for:

- determining the strategy, the values and the most important policy guidelines of the Company;
- the organisation of the Company and the provision of the necessary leadership and the required financial and human resources to achieve the Company's purposes;
- monitoring and reviewing the effectiveness of the committees of the board of directors;
- taking all necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information disclosed to the shareholders of the Company;
- approving a framework of internal control and risk management set up by the executive management;
- identifying and managing the risks with respect to the Company and its activities, amongst others by installing a system of internal audit and supervising the functioning thereof;
- evaluating and supervising the performances and results;
- proposing decisions to the general shareholders' meeting with respect to matters that belong to the powers of the general shareholders' meeting;

- taking decisions with respect to matters that belong to the powers of the board of directors;
- determining the structure, the powers and the obligations of the executive management;
- the appointment and removal of the chief executive officer and the determination of the chief executive officer's remuneration;
- reviewing the general performance of the executive management (including the chief executive officer) and the realisation of the Company's strategy;
- supervising the personnel policy;
- supervising the activities of the statutory auditor and the internal audit function;
- describing the main features of the Company's internal control and risk management systems;
- ensuring the external communication of decisions taken by the board of directors;
- representing the Company.

The board of directors is assisted by a number of committees in relation to specific matters. The committees advise the board of directors on these matters, but the decision making remains with the board of directors as a whole.

3.3. Composition

Pursuant to the Belgian Companies Code and the Company's articles of association, the board of directors must consist of at least three directors.

The composition of the board of directors should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge.

Pursuant to the Belgian Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Companies Code and in the Belgian Code on Corporate Governance. By 1 January 2024, at least one third of the members of the board of directors must be of the opposite gender. On the date of this Charter, the Company's board of directors does not comply with this requirement.

The directors are elected by the Company's general shareholders' meeting. The term of the directors' mandates cannot exceed four (4) years. Resigning directors can be re-elected for a new term. Proposals by the board of directors for the appointment or re-election of any director must be based on a recommendation by the remuneration and nomination committee. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next general shareholders' meeting.

The general shareholders' meeting can dismiss the directors at any time.

Adequacy of size and composition will be regularly assessed by the board of directors upon the initiative of the chairperson and upon recommendation of the remuneration and nomination committee.

3.4. Chairperson

An important function within the board of directors is reserved to the chairperson, who leads the board of directors, takes measures to build up a climate of trust, contributing to open discussion and constructive dissent and supervises the proper and efficient functioning of the board of directors. The board of directors elects a chairperson from among its non-executive members on the basis of his or her knowledge, skills, experience and mediation strength. If the board of directors envisages appointing a former chief executive officer as chairperson, it should carefully consider the positive and negative aspects of such a decision and disclose why such appointment is in the best interest of the Company.

The chairperson is responsible for the leadership and the proper and efficient functioning of the board of directors. He or she determines the calendar and the agenda of the meetings of the board of directors. He or she further sees to it that the procedures for the preparation, the deliberation, the approval and the execution of the resolutions are complied with in a correct manner and that the directors receive timely, accurate and clear information, which is required to deliberate and resolve on the items of the agenda. He or she leads the meetings of the board of directors and ensures that the directors can discuss and intervene before a decision is taken.

3.5. Independent directors

A director will only qualify as an independent director if he or she meets at least the criteria set out in article 526ter of the Belgian Companies Code, which can be summarised as follows:

- Not being an executive member of the board of directors, exercising a function as a member of the executive management or as a person entrusted with the daily management of the Company or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his or her nomination.
- Not having served for more than three terms as a non-executive director of the board of directors, without exceeding a total term of more than twelve years.
- Not being an employee of the senior management (as defined in article 19, 2° of the Belgian Act of 20 September 1948 regarding the organisation of the business industry) of the Company or a company or person affiliated with the Company and not having been in such a position for the previous three years before his or her nomination.
- Not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company or a company or person affiliated with the Company, other than any bonus or fee (tantièmes) he or she receives or has received as a non-executive member of the board of directors.
- Not holding (directly or via one or more companies under his or her control) any shareholder rights representing 10% or more of the shares or of a class of the shares (as the case may be), and not representing a shareholder meeting this condition.
- If the shareholder rights held by the director (directly or via one or more companies under his or her control) represent less than 10%, the disposal of such shares or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition.
- Not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the board of directors, member of

the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship.

- Not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company.
- Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
- Not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the board of directors, a member of the executive management, a person charged with the daily management, or a member of the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of the Company or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

The resolution appointing the director must mention the reasons on the basis of which the capacity of independent director is granted.

In the absence of guidance in the law or case law, the board of directors has not further quantified or specified the aforementioned criteria set out in article 526ter of the Belgian Companies Code. The Company is of the view that the independent directors that will enter into office at the closing of the initial public offering of shares of the Company, comply with each of the criteria of the Belgian Companies Code and Belgian Code on Corporate Governance. The board of directors will also disclose in its annual report which directors it considers to be independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the board of directors thereof.

3.6. Corporate secretary

The board of directors appoints a secretary (who does not need to be a director of the Company), who will assist the board of directors, its committees, its respective chairperson and individual directors with respect to providing information and advice with respect to all governance matters, compliance with the law, the articles of association and internal rules and procedures. The secretary assists the chairperson of the board of directors and the committees of the board of directors with respect to the logistical organisation of the respective meetings, including ensuring good information flow within the board of directors and its committees and between the executive management and non-executive directors, and drafts the minutes of such meetings together with the chairperson. The secretary reports regularly to the board of directors, under the direction of the chairperson, on how the procedures, rules and regulations of the board of directors are being followed and complied with.

3.7. Third parties

At the request of any director and subject to the approval of the board of directors, any third party (including employees and advisors) may be invited to attend the whole or any part of a meeting of the board of directors, in a consultative capacity. Persons attending the meetings in a consultative capacity have no voting rights.

3.8. Organisation of meetings

The board of directors should meet as frequently as the interest of the Company requires, or at the request of one or more directors. In principle, the board of directors will meet sufficiently regularly and at least five (5) times per year. The date, hour and place of these meetings are agreed upon by the board of directors, upon a proposal by the chairperson, for the next financial year at the last meeting of each financial year. Additional meetings may be called by any director upon at least five (5) business days notice.

The meetings of the board of directors are held at the registered office or at the place indicated in the convening notice. If necessary, meetings will be organised using video, telephone or internet.

Convening notices must be given at least four (4) calendar days before the meeting, except in case of emergency. In case of emergency, the convening notice must be given with not less than two (2) business days', and the reasons for the emergency should be specified in the notice.

Convening notices are valid if delivered by letter, fax, email or any other means of communication specified in article 2281 of the Civil Code. The convening notice must be accompanied by an agenda of the business to be transacted at such meeting together with all relevant documentation and information relating thereto. The documentation and information to be sent with the agenda must be sent to all directors.

The board of directors can only deliberate and resolve on items included in the agenda. The board of directors can only validly deliberate on items that are not mentioned on the agenda, if all directors are present or represented at the meeting and unanimously consent to do so. This consent is assumed to have been given if no objection is recorded in the minutes.

Each director can instruct, by means of an ordinary letter, telegram, telex, fax, e-mail or any other means of communication or medium bearing his or her signature (including an electronic signature as defined in Article 1322, paragraph 2 of the Belgian Civil Code), another director to represent him or her at a specified meeting of the board of directors and to vote in his or her place. In that case, the instructing director shall be deemed present. A director can represent multiple members of the board of directors and can, in addition to his or her own vote, cast as many votes for which he or she has a proxy.

In principle, directors should attend board meetings in person. If this is not possible, they may use any telecommunication means permitting a joint discussion, such as telephone conferencing or video conferencing. Directors taking part in a meeting by conference call or video conference will be deemed present at the meeting.

In exceptional circumstances, if the urgency of the matter and the interests of the Company so require, board resolutions can be adopted by unanimous written consent of all directors. Unless otherwise provided in the Company's articles of association, the resolutions of the board of directors will be adopted by a simple majority of the votes cast by the directors present or represented at the meeting, and in case of abstentions, by a simple majority of the votes of the other directors. In case votes are tied, the person chairing the meeting shall not have a casting vote. This written procedure cannot be used to establish the annual financial statements or to use the authorised capital.

The resolutions of the board of directors are recorded in minutes, which are kept at the registered office of the Company, and are signed by at least two directors present at the meeting.

3.9. Remuneration of the directors

Upon recommendation and proposal of the remuneration and nomination committee, the board of directors determines the remuneration of the directors to be proposed to the general shareholders' meeting.

Pursuant to Belgian law, the general shareholders' meeting approves the remuneration of the directors, including inter alia, each time as relevant:

- (a) in relation to the remuneration of executive and non-executive directors, the exemption from the rule that share-based awards can only vest after a period of at least three years as of the grant of the awards;
- (b) in relation to the remuneration of executive directors, the exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years;
- (c) in relation to the remuneration of non-executive directors, any variable part of the remuneration; and
- (d) any service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen months' remuneration).

Notwithstanding point (a) above, pursuant to the Company's articles of association, the board of directors is explicitly authorised to deviate from the provisions of article 520ter of the Belgian Companies Code in connection with share-based incentive plans, compensation, awards or issues to employees, directors and service providers of the Company and/or its subsidiaries.

The Company intends to award share-based incentives to the non-executive directors, upon advice of the remuneration and nomination committee. This is contrary to provision 7.7 of the Belgian Code on Corporate Governance that provides that non-executive directors should not be entitled to performance-related remuneration such as, amongst others, stock-related long-term incentive schemes. The Company believes that this provision of the Belgian Code on Corporate Governance is not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry that are still in a development phase. See further in paragraph (a) of section 1 of this Charter.

The Company also reimburses reasonable out of pocket expenses of directors (including travel expenses) incurred in performing the activity of director. Without prejudice to the powers granted by law to the general shareholders' meeting, the board of directors sets and revises the rules for reimbursement of directors' business-related out of pocket expenses.

3.10. Indemnification and insurance of directors

The Company, acting through the board of directors, can to greatest extent permitted enter into indemnification and hold harmless arrangements with the directors and agents of the Company and its subsidiaries, and take out insurance coverage in order to cover liability of the directors and agents of the Company and its subsidiaries.

3.11. Right of information and inspection

Each member of the board of directors may request information about all matters concerning the Company.

During the meetings, any director may request information from the other members of the board of directors.

Between meetings, each director may request the chairperson of the board of directors information concerning the Company's business and specific matters.

Each director is entitled to visit, upon reasonable notice, the Company's premises, and examine on site Company data and other records, including corporate records and financial books and accounts and, to discuss the Company's business and finances with members of the Company's executive management.

The right of access to information is subject, in the case of personal information concerning employees of the Company, to applicable privacy laws. Directors may only use the information they receive for the purpose of exercising their duties and must preserve the confidentiality of such information.

3.12. Confidentiality

Directors and, as the case may be, other persons attending meetings of the board of directors must deal carefully with confidential information that they receive in their capacity as director or advisor. They may only use such confidential information in the framework of their mandate as director, or capacity as advisor, of the Company.

3.13. Conflicts of interest

The directors must avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of the Company. If such conflicts of interest would occur, the director concerned must immediately inform the chairperson hereof.

In the event of a conflict of interest, the director must comply with the applicable legal provisions of the Belgian Companies Code (article 523 and, as relevant, article 524) and the articles of association of the Company and, in particular, bring it to the attention of both the statutory auditor and fellow directors and abstain from deliberating and voting on the transaction in which the conflict situation arises.

Transactions and/or business relationships between directors and one or more companies of the Sequana Medical group, even if these transactions do not strictly fall within the scope of application of article 523 or article 524 of the Belgian Companies Code, should always take place at normal market conditions. The director concerned must inform the chairperson of the board of directors in advance of such transactions.

3.14. Evaluation

The board of directors evaluates its own size, composition, performance and interaction with executive management and that of its committees on a continuous basis.

The evaluation assesses how the board of directors and its committees operate, checks that important issues are effectively prepared and discussed, evaluates each director's contribution and constructive involvement, and assesses the composition of the board of directors and its committees against the desired composition. This evaluation takes into account the members'

general role as director, and specific roles as chairperson, chairperson or member of a committee of the board of directors, as well as their relevant responsibilities and time commitment.

Non-executive directors assess their interaction with the executive management on a continuous basis.

3.15. Special committees

The board of directors has established, in its midst and under its responsibility, two board committees, which are responsible for assisting the board and making recommendations in specific fields: an audit committee (in accordance with article 526bis of the Belgian Companies Code and provision 5.2 of the Belgian Code on Corporate Governance) and a remuneration and nomination committee (in accordance with article 526quater of the Belgian Companies Code and provision 5.3 and 5.4 of the Belgian Code on Corporate Governance).

Moreover, the board of directors can set up other specialised committees to analyse specific issues and advise the board of directors on those issues. The committees are advisory bodies only and the decision-making remains within the collegial responsibility of the board of directors.

The board of directors determines the terms of reference of each committee with respect to the composition, duties, organisation, procedures, policies and activities of the committee. The board of directors appoints the members and chairperson of each committee. Each committee must be composed of at least three members. Only directors can be member of a specialised committee, and their appointment cannot be for a term longer than their mandate as director. A committee may, however, invite any non-member to attend its meetings.

4. AUDIT COMMITTEE

4.1. Role of the audit committee

The role of the audit committee is to:

- inform the board of directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the audit committee has played in that process;
- monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process,
- monitor the effectiveness of the internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- monitor the audit of the financial statements, including the follow-up questions and recommendations by the statutory auditor;
- assess and monitor the independence of the statutory auditor, in particular with respect to the appropriateness of the provision of additional services to the Company. More specifically, the audit committee analyses, together with the statutory auditor, the threats for the statutory auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in article 4 §3 of Regulation (EU) No 537/2014; and

- make recommendations to the board of directors on the selection, appointment and remuneration of the statutory auditor of the Company in accordance with article 16 § 2 of Regulation (EU) No 537/2014.

In addition, without prejudice to the foregoing, the audit committee shall have the general tasks and responsibilities regarding financial reporting processes, internal control and risk management systems, internal audit and external audit that are set out in provisions 2.5/11 to 5.2/27 of Annex C of the Belgian Code on Corporate Governance.

The audit committee regularly reports to the board of directors on the exercise of its missions, and at least when the board of directors approves the financial statements and the condensed or short form financial information that will be published. The members of the audit committee have full access to the executive management and to any other employee to whom they may require access in order to carry out their responsibilities.

The committee is an advisory body only and the decision-making remains within the collegial responsibility of the board of directors.

Without prejudice to the statutory provisions which determine that the statutory auditor must address reports or warnings to the corporate bodies of the Company, the statutory auditor must discuss, at the request of the statutory auditor, or at the request of the audit committee or of the board of directors, with the audit committee or with the board of directors, essential issues which are brought to light in the exercise of the statutory audit of the financial statements, which are included in the additional statement to the audit committee, as well as any meaningful shortcomings discovered in the internal financial control system of the Company.

4.2. Composition of the audit committee

The members of the committee are appointed by the board of directors. They can be removed by the board of directors at any time. Only directors can be members of the committee, and the term of their mandates as members of the committee cannot be longer than the term of their respective mandates as director.

The audit committee consists of at least three directors. According to the Belgian Companies Code, all members of the audit committee must be non-executive directors, and at least one member must be independent within the meaning of article 526ter of the Belgian Companies Code. The members of the audit committee must have a collective competence in the business activities of the Company as well as in accounting, auditing and finance, and at least one member of the audit committee must have the necessary competence in accounting and auditing.

The chairperson of the audit committee is to be appointed by the members of the audit committee.

4.3. Organisation of meetings

4.3.1. Scheduling of meetings

At the beginning of the financial year, the chairperson of the committee will establish a schedule and agenda of subjects to be discussed during the year (to the extent that this can be foreseen). The committee should have at least four (4) regularly scheduled meetings each year. At least twice (2) a year, the committee should meet the external and internal auditors, to discuss matters relating to its terms of reference and any issues arising from the audit process. Additional unscheduled meetings of the committee may be called upon at any time

when the committee deems this necessary or upon the request of any member of the committee.

4.3.2. Convening of meetings

The meetings are convened by the chairperson of the committee. The chairperson will establish the agenda for each meeting of the committee. Each member is encouraged to suggest the inclusion of items on the agenda at any time. The agenda lists the topics to be discussed. If the chairperson of the committee does not convene the meeting within seven (7) days following the request to call a meeting by another member, the latter member can convene the meeting.

The notice to convene a meeting of the committee must mention the place, date, hour and agenda of the meeting, and must be sent to the members at least four (4) business days prior to the meeting. The due convening of a meeting cannot be challenged if all members are present or represented at the meeting.

Information that is important to the understanding of the committee of the business to be conducted at a meeting of the committee is distributed in writing to the members before the meeting.

4.3.3. Attendance and quorum

Meetings are held in person. Members that cannot be present at the meeting, can attend meetings via conference call, video conference or other communication means, provided that all members can communicate with each other.

The meetings of the audit committee are chaired by its chairperson. In the absence of the chairperson, the meetings are chaired by another member.

The committee decides whether, and if so, when the chief executive officer, the chief financial officer (or senior employees responsible for finance, accounting, and treasury matters), the internal auditor and the external auditor may take part in the meeting in an advisory and consulting capacity only. The committee is entitled to meet with any relevant person without any member of the executive management present.

The committee can only validly deliberate and resolve on matters that are included on the agenda of the meeting if at least two of the members are present at the meeting. On matters that are not included on the agenda of the meeting, the meeting of the committee can only validly deliberate and resolve if all members of the committee are present or represented at the meeting and agree to deliberate and resolve on such matters.

Each member can give a power of attorney to another member to represent him or her at a meeting.

All decisions within the committee require a simple majority of the votes cast at a validly convened and quorate meeting. In case the votes are tied, the director chairing the committee has a casting vote.

4.4. **Access to information**

The members of the committee should have unrestricted access to the offices and all information and papers kept by the Company and its subsidiaries (from time to time). The members of the audit committee have full access to the executive management and to any other employee to whom they may require access in order to carry out their responsibilities. When requesting such information, each member must inform the other members of the

committee thereof and exchange such information with the other members of the committee. Where practical or appropriate such requests will be channelled through the chairperson of the board of directors.

The committee can have access to external advisors.

4.5. Reporting to the board of directors

The committee must prepare reports of its findings and recommendations. Such reports should be submitted to the board of directors as soon as practically possible after each meeting of the committee.

The committee should regularly report to the board of directors on its operations, findings and recommendations, and at least once a year prior to the approval of the annual financial statements and annual report by the board of directors.

The other members of the board of directors have access to the working papers of the committee. Where practical or appropriate, requests to have such access are made via the chairperson of the committee.

4.6. Evaluation

The committee annually reviews its terms of reference and its own effectiveness and, if necessary, recommends changes to the board of directors.

5. REMUNERATION AND NOMINATION COMMITTEE

5.1. Role of the remuneration and nomination committee

The role of the remuneration and nomination committee is to make recommendations to the board of directors with regard to the appointment and remuneration of directors and members of the executive management and, in particular, to:

- identify, recommend and nominate, for the approval of the board of directors, candidates to fill vacancies in the board of directors and executive management positions as they arise. In this respect, the remuneration and nomination committee must consider and advise on proposals made by relevant parties, including management and shareholders;
- advise the board of directors on any proposal for the appointment of the chief executive officer and on the chief executive officer's proposals for the appointment of other members of the executive management;
- draft appointment procedures for members of the board of directors and the chief executive officer;
- ensure that the appointment and re-election process is organised objectively and professionally;
- periodically assess the size and composition of the board of directors and make recommendations to the board of directors with regard to any changes;
- consider issues related to succession planning;

- make proposals to the board of directors on the remuneration policy for directors and members of the executive management and the persons responsible for the day-to-day management of the Company, as well as, where appropriate, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- make proposals to the board of directors on the individual remuneration of directors and members of the executive management, and the persons responsible for the day-to-day management of the Company, including variable remuneration and long-term incentives, whether or not share-related, in the form of share options or other financial instruments, and arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- prepare a remuneration report to be included by the board of directors in the annual corporate governance statement;
- present and provide explanations in relation to the remuneration report at the annual shareholders' meeting; and
- report regularly to the board of directors on the exercise of its duties.

The committee is an advisory body only and the decision-making remains the collegial responsibility of the board of directors. In principle, the remuneration and nomination committee meets as frequently as necessary for carrying out its duties, but at least two times a year.

At least once a year, the committee evaluates the operation and performance of the members of the executive management in accordance with a clearly specified set of evaluation criteria. The chief executive officer attends the evaluations of all members of the executive management other than himself.

5.2. Composition of the remuneration and nomination committee

The members of the committee are appointed by the board of directors. They can be removed by the board of directors at any time. Only directors can be members of the committee, and the term of their mandates as members of the committee cannot be longer than the term of their respective mandates as director.

The remuneration and nomination committee consists of at least three directors. In line with the Belgian Companies Code and the Belgian Code on Corporate Governance (i) all members of the remuneration and nomination committee are non-executive directors, (ii) the remuneration and nomination committee consists of a majority of independent directors and (iii) the remuneration and nomination committee is chaired by the chairperson of the board of directors or another non-executive director appointed by the committee.

Pursuant to the Belgian Companies Code, the remuneration and nomination committee must have the necessary expertise in terms of remuneration policy, which is evidenced by the experience and previous roles of its current members.

Pursuant to the Belgian Code on Corporate Governance, the chief executive officer participates in the meetings of the remuneration and nomination committee in an advisory capacity each time the remuneration of another member of the executive management is being discussed.

5.3. Organisation of meetings

5.3.1. Scheduling of meetings

At the beginning of the financial year, the chairperson of the committee will establish a schedule and agenda of subjects to be discussed during the year (to the extent that this can be foreseen). The committee should have at least two (2) scheduled meetings each year. Additional unscheduled meetings of the committee may be called upon at any time when the committee deems this necessary or upon the request of any member of the committee.

5.3.2. Convening of meetings

The meetings are convened by the chairperson of the committee. The chairperson will establish the agenda for each meeting of the committee. Each member is encouraged to suggest the inclusion of items on the agenda at any time. The agenda lists the topics to be discussed. If the chairperson of the committee does not convene the meeting within seven (7) days following the request to call a meeting by another member, this member can convene the meeting.

The notice to convene a meeting of the committee must mention the place, date, hour and agenda for the meeting, and must be sent to the members at least four (4) business days prior to the meeting. The due convening of a meeting cannot be challenged if all members are present or represented at the meeting.

Information that is important to the understanding of the committee of the business to be conducted at a meeting of the committee is distributed in writing to the members before the meeting.

5.3.3. Attendance and quorum

Meetings are held in person. Members that cannot be present at the meeting, can attend meetings via conference call, video conference or other communication means, provided that all members can communicate with each other.

The meetings of the committee are chaired by its chairperson. In the absence of the chairperson, the meetings are chaired by another member.

The committee can only validly deliberate and resolve on matters that are included on the agenda of the meeting if at least two of the members are present at the meeting. On matters that are not included on the agenda of the meeting, the meeting of the committee can only validly deliberate and resolve if all members of the committee are present or represented at the meeting and agree to deliberate and resolve on such matters.

Each member can give a power of attorney to another member to represent him or her at a meeting.

All decisions within the committee require a simple majority of the votes cast at a validly convened and quorate meeting. In case the votes are tied, the director chairing the committee has a casting vote.

5.4. Access to information

The committee can have access to external advisors.

5.5. Reporting to the board of directors

The committee will prepare reports of its findings and recommendations. Such reports should be submitted to the board of directors as soon as practically possible after each meeting of the committee.

The committee should regularly report to the board of directors on its operations, findings and recommendations, and at least once a year prior to the approval of the annual financial statements and annual report by the board of directors.

The other members of the board of directors have access to the working papers of the committee. Where practical or appropriate, requests to have such access are made via the chairperson of the committee.

5.6. Specific guidelines

The members of the committee must treat the information of executive management discretely. When dealing with their own remuneration package, members must abstain from deliberations and resolutions within the committee. They must report such conflict of interest to the chairperson of the board of directors and the chairperson of the committee.

5.7. Evaluation

The committee should annually review its terms of reference and its own effectiveness and, if necessary, recommend changes to the board of directors.

6. EXECUTIVE MANAGEMENT

6.1. Members of the executive management

The executive management is composed of two (2) members and is led by the chief executive officer. Its members are appointed by the board of directors on the basis of a recommendation by the remuneration and nomination committee. The Company's executive management does not constitute a *directiecomité/comité de direction* within the meaning of article 524bis of the Belgian Companies Code. The executive management is responsible and accountable to the board of directors for the discharge of its responsibilities.

6.2. Chief executive officer

The board of directors appoints and removes the chief executive officer and determines the powers of the chief executive officer.

The chief executive officer is responsible for the day-to-day management of the Company. He may be granted additional well-defined powers by the board of directors. He has direct operational responsibility for the Company and oversees the organisation and day-to-day management of subsidiaries, affiliates and joint ventures. The chief executive officer is responsible for the execution and management of the outcome of all decisions of the board of directors.

The chief executive officer leads the executive management within the framework established by the board of directors and under its ultimate supervision. The chief executive officer is appointed and removed by the board of directors and reports directly to it.

6.3. Day-to-day management

The board of directors has delegated the day-to-day management of the Company as well as certain other management and operational powers to the chief executive officer. The chief executive officer is assisted by the chief financial officer and the other members of the executive management.

6.4. Responsibilities of the executive management

The executive management is responsible for:

- operating the Company;
- implementing the policy and plans of the Company as defined by the board of directors and in accordance with its instructions;
- executing the decisions made by the board of directors;
- assessing the achievement of the targets for the business of the Company and its subsidiaries;
- preparing corporate policies, strategies and strategic plans for the attention of and approval by the board of directors or its committees;
- promoting an active internal and external communications policy;
- ensuring that management capacity, financial and other resources are provided and used efficiently;
- submitting to the board of directors or to one of its committees for approval or advice in accordance with such regulations and standards as are promulgated by the board of directors from time to time: (a) capital investment, financial measures and acquisition or divestiture of companies, participations and businesses of material significance, and (b) material agreements with third parties and engagement in new business activities;
- preparing the Company's yearly business plan and yearly budget to be submitted to the board of directors;
- establishing an independent internal audit function with resources and skills adapted to the Company's nature, size and complexity. If the Company does not have an internal audit function, the need for one should be reviewed at least annually by the audit committee;
- setting up the Company's internal control and risk management systems and submit them for approval to the board of directors;
- promulgating guidelines, including guidelines for planning, controlling, reporting, finance, personnel, information and other technologies; and
- dealing with such other matters as are delegated by the board of directors from time to time.

In principle, the executive management meets once a week in person or via telephone conferencing or video conferencing.

6.5. Remuneration

The remuneration of the chief executive officer and the other members of the executive management is based on recommendations made by the remuneration and nomination committee. The chief executive officer participates in the meetings of the remuneration and nomination committee in an advisory capacity each time the remuneration of another member of the executive management is being discussed.

The remuneration is determined by the board of directors. As an exception to the foregoing rule, Belgian law provides that the general shareholders' meeting must approve, as relevant:

- (a) in relation to the remuneration of members of the executive management and other executives, an exemption from the rule that share-based awards can only vest after a period of at least three years as of the grant of the awards,
- (b) in relation to the remuneration of members of the executive management and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, and
- (c) any service agreements to be entered into with members of the executive management and other executives (as the case may be) providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen months' remuneration).

Notwithstanding point (a) above, the Company's board of directors has been explicitly authorised in the Company's articles of association to deviate from this rule in connection with share-based incentive plans, compensations, awards and issuances to employees, directors and service providers of the Company and/or its subsidiaries. The Company believes that this allows for more flexibility when structuring share-based awards. See further in paragraph (a) of section 1 of this Charter.

In relation to point (b) above, the Company takes the view that share options generally do not qualify as variable remuneration nor as annual remuneration for the purpose of the application of the rule set out in point (b) above. This has been approved by the Company's general shareholders' meeting with respect to share-based awards that are outstanding on the date of this Charter.

An appropriate proportion of the remuneration package should be structured so as to link rewards to corporate and individual performance, thereby aligning the interest of the executive management with the interests of the Company and its shareholders. The chief executive officer will determine whether the targets for the variable remuneration of the members of the executive management, as set by the board of directors, are met.

6.6. Conflicts of interest

The members of the executive management are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of the Company. If such conflicts of interest would occur, the concerned member of the executive management must immediately inform the chief executive officer hereof, who will in turn inform the board of directors.

Transactions and/or business relationships between members of the executive management and one or more companies of the Sequana Medical group must in any case take place at normal market conditions.

7. SHARES AND SHAREHOLDERS

7.1. Overview shares and other securities

For an overview of the Company's outstanding shares and outstanding securities that are convertible or exercisable into shares, reference is made to the Company's website (www.sequanamedical.com).

7.2. Form of the shares

All of the shares belong to the same class of securities and are in registered or dematerialised form. A register of registered shares (which may be held in electronic form) is maintained at the Company's registered office. It may be consulted by any shareholder. A dematerialised share will be represented by an entry on a personal account of the owner or holder, with a recognised account holder or clearing and settlement institution. Shareholders may elect, at any time, to have their registered shares converted into dematerialised shares, and vice versa, at their own expense.

7.3. Transferability of the shares

The shares are freely transferable. This is without prejudice to certain restrictions that may apply pursuant to applicable securities laws.

7.4. Currency of the shares

The Company's shares do not have a nominal value, but each reflect an equal fraction of the Company's share capital, which is denominated in euro.

7.5. Voting rights attached to the shares

Each shareholder of the Company is entitled to one vote per share.

7.6. General shareholders' meetings

The Company encourages its shareholders to participate in general shareholders' meetings. In order to facilitate this, shareholders may vote in absentia by proxy. Agendas and all other relevant information are made available on the Company's website in advance of general shareholders' meetings.

7.7. Notification of significant shareholdings

Pursuant to the Belgian Act of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, as amended from time to time, a notification to the Company and to the FSMA is required by all natural persons and legal entities (i.e., legal person, enterprise without legal personality, or trust) in the following circumstances:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the reaching of a threshold by persons or legal entities acting in concert;

- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold;
- the passive reaching of a threshold;
- the holding of voting securities in the Company upon first admission thereof to trading on a regulated market;
- where a previous notification concerning the financial instruments treated as equivalent to voting securities is updated;
- the acquisition or disposal of the control of an entity that holds voting securities in the Company; and
- where the Company introduces additional notification thresholds in the articles of association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on in increments of 5% or, as the case may be, the additional thresholds provided in the articles of association. The Company has provided for additional thresholds of 3% in its articles of association.

The notification must be made promptly and at the latest within four trading days following the moment on which the person who is subject to the notification obligation received knowledge or could be deemed to have received knowledge of the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification. Subject to certain exceptions, no shareholder may, pursuant to article 545 of the Belgian Companies Code, cast a greater number of votes at a general shareholders' meeting of the Company than those attached to the rights and securities that it has notified in accordance with the aforementioned disclosure rules at least 20 calendar days prior to the date of the general shareholders' meeting.

The forms on which such notifications must be made, as well as further explanations, can be found on the website of the FSMA (www.fsma.be). Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative sanctions.

The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Company's securities, and must mention these notifications in the notes to its financial statements. A list as well as a copy of such notifications will be accessible on the Company's website (www.sequanamedical.com).

7.8. Rules preventing market abuse

With a view to preventing market abuse (insider dealing and market manipulation), the board of directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the executive management, certain other employees and certain other persons with respect to transactions in shares and other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares and other financial instruments of the Company and allows dealing by the aforementioned persons only during certain windows.

The board of directors intends to take all necessary and useful measures for effective and efficient compliance with the applicable rules on market abuse.

8. MISCELLANEOUS

8.1. Changes to the Charter

The board of directors may amend this Charter from time to time without prior notice. It may also decide to deviate from this Charter subject to disclosure thereof in the corporate governance statement included in the Company's annual report. Third parties do not derive any rights from such modification or deviation.

8.2. Priority

In case of any contradiction between a provision of this Charter and an applicable mandatory law or regulation, such law or regulation supersedes the provision of this Charter.

8.3. Governing law

This Charter is governed by and construed in accordance with Belgian law.