

REPORT OF THE BOARD OF DIRECTORS

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Ladies and Gentlemen,

In accordance with the legal and statutory requirements, we are honoured to report to you on the financial year 2014 and to account of our management of Financière de Tubize (the 'Company' or 'Tubize').

This report combines the board report required by article 95 of the Companies Code and the board report on the consolidated financial statements required by article 119 of the Companies Code.

1. Evolution of the activities, the financial position and the results; main risks and uncertainties

1.1. Activities

The activities of the Company have not changed during the financial year. Tubize is a holding company whose shares are admitted to trading on Euronext Brussels and which holds a participating interest of 66,370,000 ordinary shares of UCB SA/NV, a biopharmaceutical company whose shares are also admitted to trading on Euronext Brussels. The participating interest is unchanged compared to 31 December 2013 and represents 34.12% of the share capital of UCB SA/NV at 31 December 2014. Tubize is the reference shareholder of UCB.

Table 1 - Key events of the financial year 2014

Date	Event
27/02/2014 13/03/2014	The capital of UCB sa has been increased twice, which had a dilutive effect on the participating interest of Tubize in UCB. These capital increases follow the issue in 2009 by UCB of 10,000 convertible bonds for an aggregate amount of € 500 million, due 2015. The terms of the issue allowed UCB, under certain conditions, to early redeem (in cash) all outstanding convertible bonds. UCB was entitled to exercise this right as a result of the UCB share price having exceeded € 50.3698 on each of the 20 trading days up to and including 20 January 2014. In such case, instead of being reimbursed in cash, the bondholders could exercise their conversion rights at the price of € 38.746 per ordinary share. Conversion rights have been exercised with respect to an aggregate number of 9,985 convertible bonds, resulting in the issuance of 11,078,506 new UCB shares and the delivery of 1,806,638 existing UCB shares to UCB's wholly owned subsidiary UCB Lux, that had acquired, in 2012, 1,400 convertible bonds for an aggregate nominal value of € 70 million. The remaining 15 convertible bonds were redeemed at par, augmented with accrued interest. Following this transaction, the total number of UCB shares has increased from 183,427,152 to 194,505,658. The participating interest of the Company (unchanged at 66,370,000) has thus been diluted from 36.18% to 34.12%. The transaction has no impact on the non-consolidated annual accounts of the Company. The Company's consolidated equity has increased by € 64,220k (extinguishment of the Company's share of the convertible debt for an amount of € 159,887k, partly offset by the dilution of the Company's participating interest in UCB for an amount of € 95,647k).
23/04/2014	Appointment of five new directors by the general meeting of shareholders.
05/05/2014	Collection of the dividend from UCB (€ 69,025k).
07/05/2014	Payment of the dividend by the Company (€ 21,412k).
09/05/2014	Reimbursement of € 16 million short term drawings under a medium term floating rate credit facility.
11/06/2014	Rescheduling of existing debt in order to (i) cover the finance needs beyond September 2017 by extending the final maturity through May 2019, (ii) better align the reimbursement dates with the collection dates of the UCB dividend, and (iii) benefit from market conditions to improve the financing terms.
06/11/2014	Cancellation of an existing committed borrowing facility of € 2,479k. Implementation of new committed medium term floating rate borrowing facilities issued by two Belgian credit institutions for a total amount of € 150 million, which will be reduced to € 100 million on 30 June 2019, to € 50 million on 30 June 2020 and to nil on 6 November 2021. The new facilities can be used in the form of overdraft on current accounts (up to € 75 million) or in the form of short-term advances ranging from 1 to 12 months (up to € 150 million, of which maximum € 75 million beyond 6 months). Combined with the existing € 210 million committed borrowing facilities, total committed borrowing facilities amount to € 360 million, of which € 187 million was drawn at 31 December 2014. The undrawn amount of € 173 million is reserved for supporting the long-term industrial project of UCB.

1.2. Financial position

Participating interest in UCB

The participating interest in UCB is, in the annual accounts, recorded at its acquisition value of € 1,580,240k, unchanged compared to 31 December 2013. In the consolidated financial statements, the investment is recorded at its 'equity method' value, which increased from € 1,749,576k at 31 December 2013 to € 1,835,036k at 31 December 2014. The UCB share price amounted to € 63.20 at 31 December 2014 (€ 54.14 at 31 December 2013) compared to an acquisition value of € 23.81 per share.

When managing its investment in UCB, Tubize acts in concert with Schwarz Vermögensverwaltung GmbH ('Schwarz'), that holds, within the concert, 2,471,404 UCB shares, representing a 1.27% interest.

Own funds

The non-consolidated own funds progressed from € 1,331,135k at 31 December 2013 to € 1,369,456k at 31 December 2014, whilst the consolidated own funds amounted to € 1,621,876k at 31 December 2014 compared to € 1,496,850k at 31 December 2013. The market capitalisation of Tubize amounted to € 2,345,978k at 31 December 2014 (44,608,831 shares at € 52.59).

Bank borrowings

At 31 December 2014 the outstanding bank borrowings amounted to € 187 million against € 226 million at 31 December 2013.

Table 2 - Evolution of outstanding bank borrowings during the financial year 2014

Date	Event	Evolution € 000	Balance € 000
01/01/2014	Opening balance		226,000
09/05/2014	Reimbursement of short term floating rate drawings	-16,000	210,000
29/07/2014	Short term floating rate drawing	+13,000	223,000
	Contractual reimbursement on hedged floating rate borrowings	-40,000	183,000
07/12/2014	Short term floating rate drawing	+4,000	187,000

Table 3 - Expected future evolution of outstanding bank borrowings

Date	Event	Evolution € 000	Balance € 000
01/01/2015	Opening balance		187,000
08/05/2015	Reimbursement of short term floating rate drawings	-17,000	170,000
15/05/2015	Contractual reimbursement of hedged floating rate borrowings	-15,000	155,000
29/07/2015	Short term floating rate drawing	+3,000	158,000
	Contractual reimbursement of hedged floating rate borrowings	-15,000	143,000
07/12/2015	Short term floating rate drawing	+2,000	145,000
15/05/2016	Reimbursement of short term floating rate drawings	-5,000	140,000
	Contractual reimbursement of hedged floating rate borrowings	-40,000	100,000
07/12/2016	Short term floating rate drawing	+2,000	102,000
15/05/2017	Reimbursement of short term floating rate drawing	-2,000	100,000
30/09/2017	Increase of hedged floating rate borrowings	+15,000	115,000
	Contractual reimbursement of fixed rate borrowing	-60,000	55,000
15/05/2018	Contractual reimbursement of hedged floating rate borrowings	-50,000	5,000
15/05/2019	Contractual reimbursement of hedged floating rate borrowings	-5,000	-

1.3. Results

Non-consolidated

The profit moves from € 56,683k in 2013 to € 59,733k in 2014, an increase of € 3,050k or 5.38%.

The financial results move from € 57,496k in 2013 to € 60,381k in 2014. This increase of € 2,885k is primarily due to (i) the increase of income from financial fixed assets (€ 1,324k), and (ii) the decrease of debt charges (€ 1,561k). Income from financial fixed assets primarily consists of the dividends received from UCB, which show a positive trend: the dividend received in 2014 amounts to € 69.025k (gross dividend of € 1.04 per share) compared to € 67,697k (€ 1.02 per share) in the prior year. Debt charges decrease from € 10,240k in 2013 to € 8,679k in 2014, primarily as a result of the reimbursements of outstanding principal amounts.

Operating expenses move from € 813k in 2013 to € 648k in 2014. This decrease of 165k (20.30%) primarily relates to non-recurring costs incurred in 2013 in connection with the change of general manager.

The profit for the year (€ 59,733k) and the profits carried forward (€ 21,683k) together make up the profit to be appropriated (€ 81,416k). The following appropriation is proposed: (i) distribution to the holders of the 44,608,831 shares of a gross dividend of € 0.48 per share, or a total amount of € 21,412k, (ii) add € 40,000k to the available reserves, and (iii) carry forward the remaining balance of € 20,004k.

Non-consolidated

Table 4 - Consolidated results and changes in consolidated equity

€ 000	2014	2013
Non-consolidated profit	59,733	56,683
Elimination of received dividend from UCB	-69,025	-67,697
Share of the profit of UCB	71,557	58,473
Amortisation of 2009 debt restructuring costs	-1,302	-1,302
Deferred taxes	-118	-1,739
Consolidated profit	60,845	61,706
Cash flow hedges	1,360	7,776
Share of other comprehensive income of UCB	44,293	-22,811
Consolidated comprehensive income	106,498	29,383
Paid dividend	-21,412	-21,412
Share of the other changes of net assets of UCB	142,362	18,243
Impact of changes in the percentage of the participating interest in UCB	-102,422	18,050
Share of the restatement of UCB's net assets as at 1 January 2013 following the first time application of IFRS 10	-	-37,422
Changes in consolidated equity	125,026	6,842
Consolidated equity beginning of the period	1,496,850	1,490,008
Consolidated equity end of period	1,621,876	1,496,850
Changes in consolidated equity	125,026	6,842

1.4. Main risks and uncertainties

1.4.1. Risks

Concentration risk - Tubize's sole asset consisting of a participating interest in UCB, the principal risk factors and uncertainties the Company is facing are similar to those of UCB. The financial position and the results of Tubize are impacted by the results of UCB, on a non-consolidated level through the received dividends and on a consolidated level through the application of the equity method. UCB has adopted a global risk management policy that describes the commitment of UCB to provide an effective risk management system across the group in order to minimise its exposure to risks that could threaten its corporate objectives. The board of directors is responsible for approving the strategy, goals and objectives of the group and for overseeing the establishment, implementation and review of the risk management system of the group. The audit committee assists the board in its responsibility for assessing risk and risk management. The audit committee examines on a regular basis the areas where risks could significantly affect the financial situation and reputation of the group and monitors the overall risk management process of UCB. The Corporate Risk Management Committee (CRMC), consisting of executive committee members and senior management representatives of all business functions, provides strategic leadership that endorses the corporate risk assessment and the prioritisation process that drives the establishment of mitigation plans within all business functions and operations, supported by a global risk management system to effectively and efficiently assess, report, mitigate and manage actual or potential risks or exposures. The chair of the CRMC reports directly to the CEO, and provides periodic status updates directly to the executive committee and, on an annual basis, to the audit committee as well as to the board. The executive committee is responsible for implementing the risk management strategy and objectives. Global Internal Audit is responsible for independently and regularly reviewing as well as validating the risk management process of UCB and jointly agreeing with the business functions on actions to mitigate and control assessed risks.

Price risk - Tubize is exposed to the market risk related to the evolution of the UCB share price. Even though elements of market imperfection might occasionally affect the share price, the board is confident that the evolution of the share price over a sufficiently long time horizon is a reliable indicator of the performance of the UCB group and its long-term development.

Interest rate risk – Tubize is exposed to interest rate risk from fixed rate bank borrowings. The board monitors this risk through periodic calculations of the fair value of these borrowings.

Cash flow risk – Tubize is exposed to cash flow risk from floating rate bank borrowings. The Company uses interest rate swaps to hedge most of this exposure.

Liquidity risk - Tubize is exposed to liquidity risk, in particular the risk that the Company might have difficulties in satisfying its obligations under the bank debt agreements. The board is confident that the expected flux of dividends from UCB will allow the Company to satisfy the committed reimbursements on the existing borrowings. In addition, the Company has immediate access to the non-utilised part, amounting to € 173 million per 31 December 2014, of existing committed credit facilities.

Counterparty risk occurs when a bank-counterparty to cash at bank amounts or to interest rate swaps would not meet its obligations and Tubize, as a result thereof, would incur a financial loss. The bank-counterparties are Belgian banks with a rating of 'upper medium grade'.

Operational risk stems from inadequate or failing internal processes and systems, human errors, or external events. The Company has established detailed accounting and IT controls for its different processes. The Company has no personnel. The responsibility of directors and officers is covered by insurance.

Legal risk is linked to the evolution of the law, which may result in some legal uncertainty or interpretation difficulties. The board relies on legal advice from an external law firm.

Compliance risk stems from non-compliance with applicable laws and regulations. The board relies on external expert advice related to legal, tax and financial matters. The Company has adopted a dealing code that establishes detailed conduct of business rules to avoid insider trading; these rules impose certain prohibitions as well as preventive measures. The Company has established a conflict of interest policy based on strict ethical rules and a rigorous compliance of all legal and regulatory requirements applicable to the subject.

Reputational risk – To avoid damage to its image or reputation, the Company has established a corporate governance system based on proactive risk management, listening to all stakeholders, and transparent communication of significant issues.

1.4.2. Uncertainties

The preparation of the financial statements requires the board to make judgments, estimates and assumptions that affect the reported amounts. Where applicable, the key judgments, assumptions and estimates are explained in the notes to the consolidated financial statements.

2. Subsequent events

No significant events have occurred subsequent to the closing of the accounting year.

3. Circumstances that might have a notable influence on the development of the Company

The results of the accounting year 2015 will depend on the dividend per share distributed by UCB, the number of UCB shares held and the cost of the bank borrowings. The consolidated results will depend on the UCB 2015 outlook, which is commented in the UCB annual report.

4. Research and development

The Company has not pursued any activities in the field of research and development.

The activities of UCB are described in its own board report.

5. Branches

The Company has no branches.

6. Justification of the application of the valuation rules in going concern

This clause solely applies when the balance sheet shows losses carried forward or the income statement shows a loss for the year during two consecutive years. The Company is not in such position.

7. Other information by virtue of the Company Code

Articles 523, §1 and 524ter – During the accounting year 2014, no instances have occurred whereby a director or the general manager had a patrimonial interest opposite to a decision or transaction within the authority of the board of directors or the general manager.

Article 524, §1, 2, 3 and 5 - During the accounting year 2014, no decisions or transactions have taken place that are in scope of this article that deals with conflicts of interest in the relationship with certain affiliated entities.

Article 524, §7 – This clause about substantial limitations or charges imposed by the parent company does not apply, as the Company has no parent.

Article 608 - This clause about the utilisation of authorised capital does not apply, as the Company has no authorised capital.

Articles 624 and 630 - The Company has not acquired or pledged its own shares.

8. Financial instruments

The Company's exposure to financial risks and its objectives and policies to manage these risks are described in section 1.4.1. of this report.

The Company uses derivative financial instruments solely for hedging purposes. It has entered into amortising interest rate swaps (receive variable, pay fixed), for a notional amount of € 110 million at 31 December 2014, to hedge the cash flow risk of the floating rate borrowings. The contractual amortisation schedule of the notional amounts perfectly matches the contractual maturities of the hedged borrowings.

9. Independence and competence in respect of accounting and auditing of at least one member of the audit committee

Based on the exemption set out in article 526bis §3 of the Companies Code, the functions assigned to the audit committee are exercised by the board of directors in its entirety. The chairman of the board of directors, François Tesch, is an independent director as defined in article 526ter of the Companies Code and Appendix A of the 2009 Corporate Governance Code. He is competent in respect of accounting and auditing matters.

10. Corporate Governance Statement

10.1. Reference code

Financière de Tubize adopts the 2009 Belgian Code on Corporate Governance (the 'Code'), established by the Corporate Governance Committee, as its reference code. This Code can be consulted on the site www.corporategovernancecommittee.be. The Company does not apply corporate governance practices other than those required by the Code and the law.

The Corporate Governance Charter of Tubize is published on the website www.financiere-tubize.be. It presents the implementation by Tubize of the recommendations of the Code, taking into account the specificities of the Company, and according to the 'comply or explain' principle.

10.2. Departures from the Code

Given the simplicity of its operating structure and the fact that the Company has only one asset, namely its 34.12% interest in UCB, certain rules of the Code do not appear to be appropriate. It concerns the following items:

- The Code stipulates that minimum three members of the board of directors are independent according to the criteria set out in Appendix A to the Code. The board of Tubize has today two independent directors (the second one being appointed at the latest ordinary general shareholders meeting of 23 April 2014). In composing the board several dimensions are taken into consideration such as legal requirements, compliance with the Code, representation of the reference shareholders, family character of the reference shareholders, transition to a new generation, size of the board, complementarity of expertise and competencies, diversity of functions, gender, independence, motivation, personal qualities, availability, ... The possibilities for appointing a third independent director will be examined taking into account the other factors that also influence the board composition.
- The Board does not have any specialised committees (audit committee, appointment committee or remuneration committee). Given its limited size the Company is exempt from the obligation to install an audit committee and a remuneration committee. The functions assigned to those committees are exercised by the board in its entirety. The board is of the opinion that the same practice can also be applied in respect of the appointment committee.

10.3. Main features of the Company's internal control and risk management systems in relation to the financial reporting process

10.3.1. At the level of Tubize

The board of directors has implemented a set of procedures, which must provide reasonable assurance with regard to the integrity and reliability of financial information. Once a year the board, in its capacity of audit committee, assesses these procedures.

The procedures are tailored to the limited activities of the Company and to its simple operating structure, and consist of the following elements:

- A business environment that promotes a positive attitude towards control
- Identifying the risks in respect of the integrity and reliability of the financial information
- Setting up standards and procedures to manage these risks
- Organising information and communication systems to allow follow up of the integrity and reliability of financial information.

General procedures include organisational procedures (such as a clear governance structure, an effective and efficient board of directors, a clear structure of the day-to-day management, clearly defined responsibilities and signature authorities, procedures to safeguard the continuity and reliability of electronic information systems), accounting procedures (such as the outsourcing of the bookkeeping function to a licensed accountant, and the detailed procedures for the preparation of the annual accounts and the consolidated financial statements), consultation procedures (such as the ad hoc appeal to external advisers in respect of legal, tax and financial matters) and information flow procedures (such as the frequent dialogue between the general manager and the chairman of the board of directors, and the detailed preparatory files for each board meeting).

In addition to the general procedures, specific procedures are in place to manage the identified risks (such as the analytical review of the trial balance by the general manager, maintaining a closing file with detailed justification of the balances, reconciling accounts, usage of disclosure checklists to ensure compliance with the accounting standards).

10.3.2. At the level of UCB

UCB has adopted formal procedures focused on internal controls over financial reporting, referred to as the Transparency Directive Process. This process is intended to help minimise the risk of selective disclosure; to help ensure that all material information disclosures made by UCB to its investors, creditors and regulators are accurate, complete, timely, and fairly present UCB's condition; and ensure adequate disclosure of material financial and non-financial information and significant events, transactions and risks.

The process consists of a number of activities. Identified key contributors to the internal control process, which include all executive committee members, are required to certify in writing that they understand and have complied with UCB's requirements related to the financial reporting process, including providing reasonable assurance of effective and efficient operations, reliable financial information and compliance with laws and regulations. To promote their understanding of the broad range of potential issues, a detailed checklist is provided to them to complete and to assist them in their certification. In addition, a detailed worldwide desk review of sales, credits, accounts receivable, trade inventories, accruals, provisions and reserves is performed, and the finance directors of all individual business units are required to acknowledge that their financial reporting, in these areas, is based on reliable data and that their results are properly determined in accordance with requirements.

These procedures are coordinated by the Global Internal Audit function prior to the issuance of the half-year and annual accounts. The results of the procedures are reviewed by Reporting and Consolidation, as well as by Finance and Legal. Appropriate follow up of any potential issues identified is performed and consideration of adjustments to reported financial information or disclosures is evaluated.

The results of these procedures are reviewed with the CEO and the CFO, and subsequently with the audit committee, prior to the publication of the accounts.

10.4. Information with respect to transparency

10.4.1. Shareholders structure

Table 5 - Structure of shareholdings at 31 December 2014, as it appears from the statements received by the Company

	Voting rights	
	Number	%
Financière Eric Janssen sprl	8,525,014	19.11%
Daniel Janssen	5,881,677	13.19%
Altai Invest sa	4,969,795	11.14%
Barnfin sa	3,899,833	8.74%
Jean van Rijckevorsel	7,744	0.02%
Total voting rights held by the reference shareholders	23,284,063	52.20%
Other shareholders	21,324,768	47.80%
Total voting rights	44,608,831	100.00%

Altai Invest is controlled by Evelyn du Monceau. Barnfin is controlled by Bridget van Rijckevorsel.

10.4.2. Structure of the capital

The share capital of the Company is fixed at € 235,000,000 and is represented by 44,608,831 ordinary shares. Each share gives the same rights to dividends and entitlement to one vote at the general shareholders meeting.

10.4.3. Restrictions to the transfer of shares

No restrictions apply to the transfer of shares other than those imposed by law or those that might result from shareholders agreements (see section 10.4.7.).

10.4.4. Special control rights

There are no instruments with special control rights.

10.4.5. Control mechanisms in a system of shareholdings by the personnel

No system of shareholdings by the personnel is in place.

10.4.6. Restrictions to the exercise of voting rights

There are no restrictions, other than legal, to the exercise of voting rights.

To attend or be represented at the general meeting and exercise her/his voting right, a shareholder must have carried out the accounting registration of his/her shares no later than the fourteenth day before the general meeting at 24:00h Belgian time (being Wednesday 8 April 2015, the "Registration Date"), either by registering them in the Company's register of nominative shares, or by registering them in the accounts of a licensed account holder or a settlement institution, the number of shares held on the day of the meeting being disregarded.

The shareholder must also inform the Company of her/his desire to attend the general meeting. A holder of nominative shares should send to the Company the signed original of the attendance notice, this form being appended to the convening notice. A holder of dematerialized shares should send to the Company an attestation, issued by the licensed account holder or by the settlement institution, certifying the number of shares that are registered in the accounts of the account holder or settlement institution on the name of the shareholder at the Registration Date and for which the shareholder has declared he/she wants to participate in the general meeting. The attendance notice or the attestation should reach the Company, at its registered seat, no later than six days before the date of the general meeting (being Thursday 16 April 2015).

10.4.7. Agreements between shareholders

The reference shareholders, belonging to the Janssen family, act in concert. The terms of the concert are laid down in a shareholders agreement. The key elements of this agreement can be summarised as follows:

- The objective of the concert is to ensure, through Financière de Tubize, the stability of the shareholder structure of UCB in view of the long-term industrial development of the latter. In this perspective, it aims at preserving the predominance of the family shareholder structure of Financière de Tubize.
- The parties to the concert consult with each other about the decisions to be taken at the general meeting of Financière de Tubize, and try, to the extent possible, to reach a consensus; They ensure that they are properly represented in the board of directors of Financière de Tubize. Within this board and through their representatives at the board of directors of UCB, they consult with each other about the significant strategic decisions concerning UCB, and try, to the extent possible, to reach a consensus.
- The parties inform each other prior to any project of significant acquisition or sale of shares of Financière de Tubize; pre-emption rights and tag along are also in place within the family.

10.4.8. Rules applicable to the appointment and replacement of members of the board of directors

The board of directors submits to the general shareholders meeting the appointments or renewals of directorships that it proposes. The shareholders may also propose candidates.

Proposals for appointment shall specify the term proposed for the mandate and indicate the useful information on the professional qualifications of the candidate, as well as a list of functions that the proposed director already exercises.

The general shareholders meeting decides on the proposals by a majority of the votes cast.

Directors are appointed by the general shareholders meeting for a term of 4 years. They are re-eligible. The expiring mandates come to an end after the ordinary general shareholders meeting, which has not renewed them.

In the event of a vacancy on the board, the directors may fill the vacancy temporarily. The general shareholders meeting will at its next meeting conduct a definitive election.

An age limit has been set at the date of the ordinary general meeting following the seventy-fifth anniversary of a member. In such a case, the person concerned resigns from his/her mandate,

which is, in principle, taken over and pursued by the successor appointed by the general shareholders meeting.

10.4.9. Rules applicable to the modification of the articles of association

Only the general meeting of shareholders can amend the articles of association.

The general meeting can only deliberate on amendments of the articles of association if the purpose of the proposed amendments is explicitly mentioned in the convening notice and if those who attend the meeting represent at least half of the capital. If the latter condition is not met, a new meeting can validly deliberate irrespective of the portion of capital represented.

An amendment requires a 3/4th majority of the votes. However, specific legal requirements regarding quorum and voting majorities apply when the amendment relates to the following topics: change of corporate object, acquisition or pledging of own shares, changes of the rights attached to shares belonging to different categories, dissolution in case the net assets have dropped below 1/4th of the capital, or change of legal form.

10.4.10. Powers of the board of directors

The board of directors is the management body of the Company.

It is competent to decide on all matters that the law or the articles of association do not expressly entrust to the general shareholders meeting.

It is responsible for the general strategy of the Company and the implementation thereof.

The powers of the board of directors mainly relate to:

- Defining the strategic objectives and implementing structures enabling their achievement
- Establishing the accounts and proposing the appropriation of the result
- Approving investments
- Ensuring the timely publication of the financial statements and other significant financial or non-financial information communicated to the shareholders and to the general public.

The general shareholders meeting of 24 April 2013 has authorised the board of directors to acquire shares of the Company, under the conditions set out in the law, for a period of five years from the said general meeting. The par value of the purchased shares may not exceed 20% of the subscribed capital. The acquisitions can be realised at a price between € 1 and € 200. To avoid serious and imminent damage to the Company, the general shareholders meeting of 24 April 2013 has further authorised the board of directors to acquire shares of the Company for a period of three years from the date of the publication of the amendment of the articles of association by the before mentioned general meeting.

10.4.11. Significant agreements that might be impacted by a takeover bid

The Company is not a party to significant agreements that will become effective, be modified or be terminated in case of change of control of the Company following a takeover bid.

10.4.12. Indemnities in case of a takeover bid

There are no agreements between the Company and its directors or officers that would, as a result of a takeover bid, trigger indemnities to directors or officers resigning or being forced to quit their functions without any valid reason. The Company has no personnel.

10.5. Composition and operation of the board of directors

10.5.1. Composition

The general shareholders meeting fixes the number of directors. According to the articles of association, the board of directors consists of at least three members. Today the board consists of ten members (eight representatives of the reference shareholders and two independent directors).

Table 6 – Composition of the board

Name	Function	Independent¹	Executive²	Mandate³
François Tesch	Chairman	Yes	No	2012-16
Charlofin nv, represented by Karel Boone	Director	Yes	No	2014-18
Arnoud de Pret	Director	No	No	2014-18
Cyril Janssen	Director	No	No	2011-15
Charles-Antoine Janssen	Director	No	No	2011-15
Nicolas Janssen	Director	No	No	2014-18
Evelyn du Monceau	Director	No	No	2011-15
Fiona de Hemptinne	Director	No	No	2014-18
Cédric van Rijckevorsel	Director	No	No	2013-17
Cynthia Favre d'Echallens	Director	No	No	2014-18

10.5.2. Functioning

The board of directors appoints a chairman from among its members. The chairman coordinates the activities of the board and ensures its proper functioning. He ensures in particular that the best practices of corporate governance apply to the relations between the shareholders, the board of directors and the general manager responsible for the day-to-day management.

The role of company secretary is entrusted to the general manager. The company secretary ensures, under the leadership of the chairman, good information flow within the board of directors. He facilitates the initial training of board members and helps them, if required, in their professional development. Directors can individually call upon the secretary. The company secretary regularly reports to the board, under the leadership of the chairman, on how board procedures, rules and regulations are complied with.

The board of directors meets when it is convened by the chairman or by the director replacing him, as often as the interests of the Company so require. It must in addition be convened when at least two directors so request. The board of directors meets at least three times a year. In 2014 the board has met five times (four times prior to the appointment of five new directors by the general meeting of 23 April 2014 and one time thereafter).

Table 7 – Individual attendance rates of the directors

Name	Attendance
François Tesch	100%
Charlofin nv, représentée par Karel Boone	100%
Arnoud de Pret	100%
Cyril Janssen	80%
Charles-Antoine Janssen	100%
Nicolas Janssen	75%
Evelyn du Monceau	100%
Fiona de Hemptinne	75%
Cédric van Rijckevorsel	100%
Cynthia Favre d'Echallens	100%

The chairman of the board of directors draws up the agenda of the meetings. He ensures that the directors receive, prior to the meetings and in good time, the same precise and detailed information.

The meetings of the board of directors are chaired by the chairman or by the director replacing him.

The board may validly decide only if half of the members are present or represented. The quorum of presence is calculated on the basis of the number of directors taking part in the voting, without taking into account those who should withdraw from the deliberation pursuant to the Companies Code.

¹ Independent according to article 526ter of the Company Code and Appendix A of the 2009 Corporate Governance Code; the non independent directors are representatives of the reference shareholders

² Executive according to article 526bis §3 of the Company Code

³ Years of the ordinary shareholders meetings that indicate beginning and end of the mandate

Each director may, by simple letter or proxy, delegate another board member the power to represent him/her. However, no director may have more than two votes, including her/his own vote.

Resolutions are adopted by a majority of votes. In the event of a tie, the chairman of the meeting has the casting vote.

In cases where it is permitted by law, which must remain exceptional and must be duly justified by urgency and the interests of the Company, decisions of the board of directors may be taken by the unanimous written consent of the directors.

The deliberations of the board of directors are documented in minutes that are kept in a special register at the seat of the Company. These minutes are signed by at least the majority of the members who have taken part in the deliberations.

As indicated above, the board does not have any specialised committees. The Company benefits in this regard from the exemptions set out in articles 526bis § 3 and 526quater § 4 of the Companies Code with respect to audit committees and remuneration committees. It is therefore the board in its entirety that serves as the audit committee and the remuneration committee.

During the accounting year 2014 there have been no transactions or contractual relationships between, on the one hand, the directors and/or the general manager and, on the other hand, the Company and/or UCB, other than those in their capacity of director of Tubize and/or UCB or of general manager of Tubize.

During its sessions of 29 September 2014 and 6 November 2014, the board of directors has assessed its operating effectiveness. The board is of the opinion that its operating effectiveness meets the standards that one could reasonably expect from a company of the size of Tubize.

10.6. Gender diversity within the board of directors

Article 518bis §1 of the Company Code requires minimum one third of the board members to have a gender that is different from that of the other members. The required minimum number is rounded to the nearest whole number.

Because its free float is less than 50%, this legal requirement will not be effective for Tubize until the accounting year 2019. The current composition of the board with 7 male members and 3 female already complies with the legal requirement.

10.7. Remuneration report

10.7.1. Responsibilities

The functions assigned to the remuneration committee are exercised by the board of directors in its entirety. The board determines the remuneration policy for the directors and for the executive responsible for the day-to-day management ("general manager"), as well as their individual remuneration.

10.7.2. Policy

The remuneration of the directors solely consists of fixed fees. The fee of the chairman of the board of directors is twice the fee of a director.

The service agreement between the Company and the general manager provides for a remuneration based on the number of hours performed.

For the accounting years 2015 and 2016, the board of directors does at present not anticipate significant amendments to this remuneration policy.

10.7.3. Remuneration and other benefits granted to non-executive directors

The fixed fee for the directors amounts to € 10,000 for the accounting year 2014. The fixed fee for the chairman of the board of directors amounts to € 20,000.

Evelyn du Monceau, Arnoud de Pret, Charles-Antoine Janssen and Cédric van Rijckevorsel are also members of the board of directors of UCB. The remuneration they receive for their function of UCB director is determined in accordance with the UCB remuneration policy.

Table 8 – Remuneration received by the directors for their function of UCB director during accounting year 2014

€ 000	Evelyn du Monceau	Arnoud de Pret	Cédric van Rijckevorsel	Charles-Antoine Janssen
Fixed annual fees	105.0	70.0	70.0	70.0
Attendance fees (per meeting)	1.5	1.0	1.0	1.0
Chair of board committees	20.0	30.0	-	-

10.7.4. Remuneration of executives in their capacity of director

The general manager is the only executive of the Company. He is not a member of the board of directors.

10.7.5. Performance related remuneration of the general manager

The general manager does not receive any remuneration that is linked to the performance of Tubize or UCB.

10.7.6. Breakdown of the remuneration and other benefits granted to the general manager

Management fees charged by MVS-AS and Marc Van Steenvoort for accounting year 2014 amount respectively to € 97k and to € 72k⁴.

10.7.7. Breakdown of the remuneration and other benefits granted to other executives

As the general manager is the only executive of the Company, this information is not applicable.

10.7.8. Shares granted to the general manager

The general manager does not receive shares, share options or any other rights to acquire shares of Tubize or UCB.

10.7.9. Severance pay clauses with respect to the general manager

The service agreement between the Company and the general manager, foresees that the latter is entitled to an indemnity equal to a quarterly remuneration when the Company terminates the agreement in case the general manager is no longer capable to fully exercise his missions for reasons of illness. The indemnity will be determined based on the average remuneration invoiced by the general manager to the Company and paid by the latter with respect to the four quarters preceding the termination of the agreement.

10.7.10. Severance pay to the general manager

No severance pay has been granted in 2014.

10.7.11. Recovery of variable remuneration granted to the general manager based on erroneous financial information

This section is not applicable, as the remuneration of the general manager does not contain variable components.

Brussels, 26 February 2015
The board of directors

⁴ During the first semester of 2014, the function of general manager was exercised by the bvba MVS Advisory Services (MVS-AS), represented by its manager, Marc Van Steenvoort. As from 1 July 2014 onwards, Marc Van Steenvoort has taken over the rights and obligations of MVS-AS and exercises the function of general manager in his own name.