



## Corporate Governance Charter

February 22, 2017

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## Introduction

This Corporate Governance Charter (the “**Charter**”) has been adopted by the board of directors of MDxHealth SA (“**MDxHealth**”) at its meeting of February 22, 2017, the date on which it has become effective.

The Charter reflects the main principles by which the board of directors of MDxHealth organizes and supervises the operations of the company. It is subject to and without prejudice to the provisions of Belgian law and the company’s articles of association.

The Charter is adopted in accordance with the recommendations set out in the Belgian Corporate Governance Code issued on March 12, 2009 by the Belgian Corporate Governance Committee (the “**2009 Code**”). MDxHealth has adopted the 2009 Code as its reference code. The 2009 Code is based on a “comply or explain” system: Belgian listed companies should follow the 2009 Code, but can deviate from its provisions and guidelines (though not from the principles) provided they disclose the justifications for such deviation. MDxHealth complies with the 2009 Code, but believes that certain deviations from its provisions are justified in view of the company’s particular situation. With the entry into force of the Act of April 6, 2010, it is however (i) no longer possible to deviate from certain provisions of the 2009 Code and (ii) it is compulsory to indicate the (other) provisions of the 2009 Code that were not complied with during the year and to provide an explanation of the reasons for non-compliance. These deviations are also further explained in the present Charter and, where applicable, identified in Appendix 1 to this Charter, and are valid under the Act of April 6, 2010.

The board of directors of MDxHealth will review this Charter from time to time and make such changes as it deems necessary and appropriate.

The Charter should be read together with the articles of association of MDxHealth and other information that is made available by the company from time to time. In accordance with the 2009 Code, each annual report of MDxHealth contains a “Corporate Governance Statement” (the “**Corporate Governance Statement**”) in which the board of directors provides further information on its corporate governance and the application of this Charter.

The Charter is available on the “Investors – Shareholders’ Information” section of the company’s website ([www.mdxhealth.com](http://www.mdxhealth.com)) and can be obtained free of charge at the registered office of the company.

On behalf of the board of directors of MDxHealth,

February 22, 2017

## Certain definitions and expressions

Throughout this Charter, certain terms and expressions are used. Unless the context in which these terms and expressions are used, do not so permit, or unless these terms or expressions are defined differently, they should be read and understood as follows:

- Any reference to “**the company**” or “**MDxHealth**” should be read as a reference to MDxHealth SA.
- The expression “**subsidiary**” means, when used with respect to a person, a subsidiary of such person within the meaning of Article 6 of the Belgian Company Code (*filiale / dochtervennootschap*).
- The expression “**control**” shall, when used with respect to a person, have the meaning as defined in Article 5 of the Belgian Company Code, and shall be determined in accordance with the provisions of Articles 5 to 9 of the Belgian Company Code, and expressions such as “controlling” or “controlled” shall have a correlative meaning.
- “**FSMA**” means the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des Services et Marchés Financiers*).

This Charter is complementary to the Belgian Company Code and the articles of association of MDxHealth. No provision of this Charter can be interpreted as derogating therefrom.

## **1. General information**

### **1.1. MDxHealth**

The company was incorporated for an unlimited duration on January 10, 2003 as “Oncogenome Sciences”. It changed its name to “OncoMethylome Sciences” on June 30, 2003 and subsequently into “MDxHealth” on October 5, 2010. It has the legal form of a limited liability company (*société anonyme – SA / naamloze vennootschap – NV*) organized and existing under the laws of Belgium. Pursuant to the Belgian Company Code, the liability of the shareholders is limited to the amount of their respective committed contribution to the capital of MDxHealth SA.

The company’s registered office is located at CAP Business Center, Rue d’Abhooz, 31, B-4040 Herstal, Belgium. The company is registered with the registry of legal persons (*registre des personnes morales / rechtspersonenregister*) in Belgium under company number (*numéro d’entreprise / ondernemingsnummer*) 0479.292.440 Liège (Belgium).

### **1.2. Corporate purpose**

The corporate purpose of MDxHealth reads as follows:

*“The company’s corporate purpose is to engage in Belgium and abroad, in its own name and on behalf of third parties, alone or in collaboration with third parties, in the following activities:*

- all forms of research and development on or involving biological cells and organisms (including gene methylation) and chemical compounds, as well as the industrialization and commercialization of the results thereof;*
- the research and development of biotechnological or derivative products that could have a market value in applications related to human and animal healthcare, diagnostics, pharmacogenomics and therapeutics, based amongst other things on the technology of genetics, genetic engineering and detection, chemistry and cell biology;*
- the commercialization of the aforementioned products and application domains;*
- the acquisition, disposal, exploitation, commercialization and management of intellectual property, property and usage rights, trade marks, patents, drawings, licenses and any other form of know how.*

*The company is also authorized to engage into all commercial, industrial, financial and real estate transactions, which are directly or indirectly related to, or that may be beneficial to the achievement of, its corporate purpose.*

*It can, by means of subscription, contribution, merger, collaboration, financial participation or otherwise, take interests or participate in any company, existing or to be incorporated, undertakings, businesses and associations in Belgium or abroad.*

*The company can manage, re-organize or sell these interests and can also, directly or indirectly, participate in the board, management, control and dissolution of companies, undertakings, business and associations in which it has an interest or a participation.*

*The company can provide guarantees and security interests for the benefit of these companies, undertakings, businesses and associations, act as their agent or representative, and grant advances, credit, mortgages or other securities.”*

### **1.3. Group structure**

The company’s main business is conducted through MDxHealth. In accordance with the corporate purpose of MDxHealth, the company may take participations in other companies.

MDxHealth has two direct subsidiaries, and two indirect subsidiaries:

- MDxHealth Inc., a fully owned company, incorporated under the laws of Delaware, USA, with principal office at 15279 Alton Parkway, Suite 100, Irvine CA 92618, USA.

- MDxHealth B.V., a fully owned company, incorporated under the laws of the Netherlands, with its principal address at Geert Grooteplein Zuid 34, 6524 GA Nijmegen, the Netherlands. MDxHealth B.V. operates as a holding company, with two wholly-owned subsidiaries incorporated under the laws of the Netherlands, including MDxHealth Servicelab B.V. and MDxHealth Research B.V., each of which has its principal address at Geert Grooteplein Zuid 34, 6524 GA Nijmegen, the Netherlands.

#### **1.4. Governance structure**

MDxHealth is headed by its board of directors. The board of directors has entrusted the company's day-to-day management to the Chief Executive Officer (CEO) and has appointed the executive management that assists the CEO. The board of directors has also set up several specialized committees, which are further discussed in Sections 2 to 5 of this Charter. While the articles of association of the company allow the board of directors to delegate certain powers to an executive committee (*comité de direction / directiecomité*), the company does not have such a committee as per the date of this Charter.

#### **1.5. Outstanding shares and other securities**

As per the date of this Charter, the share capital of MDxHealth amounts to € 39,761,328.75, represented by 49,845,595 ordinary shares. For a history of the company's share capital, further reference is made to the "Investor – Shareholder Information" section of the company's website ([www.mdxhealth.com](http://www.mdxhealth.com)).

Apart from the shares, MDxHealth also issued a number of warrants that give the right to subscribe for new shares. The "Investor – Shareholder Information" section of the company's website ([www.mdxhealth.com](http://www.mdxhealth.com)) contains further information regarding the potential future voting rights attached to these outstanding warrants.

#### **1.6. Listing**

The shares of MDxHealth are listed on Euronext Brussels since June 27, 2006. The shares have the following securities codes:

- ISIN : BE0003844611
- Symbol : MDXH.BR

#### **1.7. Important shareholders**

The table in [Appendix 2](#) provides an overview of the respective parties that have notified the company of their ownership of the company's securities. The overview is based on the transparency declarations that the company has received up to the date of this Charter. Please refer to the "Investor – Shareholder Information" section of the company's website ([www.mdxhealth.com](http://www.mdxhealth.com)).

#### **1.8. Available information**

The present Charter is made available on the "Investors – Shareholder Information" section of the company's website ([www.mdxhealth.com](http://www.mdxhealth.com)) and can be obtained free of charge at the registered office of the company.

MDxHealth must file its (restated and amended) articles of association and all other deeds and excerpts that are to be published in the Annexes to the Belgian Official Gazette with the clerk's office of the Commercial Court of Liège (Belgium), where they are available to the public. A copy of the articles of association is also available on the company's website.

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 board of directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public.

Furthermore, as a listed company, the company has to publish summaries of its annual and semi-annual financial statements, as well as interim management statements in accordance with the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market. These documents are also made available on the company's website.

The company will also have to disclose price sensitive information and certain other information to the public. In accordance with the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, such information and documentation will be made available through the company's website, press releases and the communication channels of NYSE Euronext Brussels or a combination of these media.

The company's website can be found at [www.mdxhealth.com](http://www.mdxhealth.com).

## **2. Board of directors**

### **2.1. Terms of reference**

The board of directors of MDxHealth will arrange its procedures, policies and activities in accordance with the terms of reference set out in this Section 2.

### **2.2. Role of the board of directors**

The board of directors of MDxHealth has the broadest powers to manage and represent the company, except to the extent provided otherwise by applicable law or the company's articles of association.

The board of directors' role 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 acts as a collegiate body.

### **2.3. Specific tasks of the board of directors**

In exercising its role and powers, the board of directors has the following specific tasks:

- The board of directors decides on the company's values and strategy, its risk appetite and key policies. The board of directors should ensure that the necessary leadership, financial and human resources are in place for the company to meet its objectives. In translating values and strategies into key policies, the board of directors should pay attention to corporate social responsibility, gender diversity and diversity in general.
- The board of directors decides on the executive management structure, appoints the executive management and determines the powers and duties entrusted to executive management.
- The board exercises an oversight role on the company's activities, acts as a sounding board to the executive management, and provides guidance and advice where necessary.
- With respect to its monitoring responsibilities, the board of directors shall:
  - review executive management performance and the realization of the company's strategy,
  - monitor and review the effectiveness of the board's committees,
  - take all necessary measures to ensure the integrity and timely disclosure, in accordance with applicable laws and regulations, of the company's financial statements and other material financial and non-financial information disclosed to the shareholders and potential shareholders,
  - approve a clear framework of internal control and risk management set up by the executive management and review the implementation of this framework, taking into account the review and recommendations made by the audit committee,
  - supervise the performance of the external auditor and of the eventual internal audit function, taking into account the review and recommendations made by the audit committee,
  - describe the main features of the company's internal control and risk managements systems, which are to be disclosed in the Corporate Governance Statement.
- The board of directors shall foster - through appropriate measures – an effective dialogue with its shareholders and potential shareholders based on a mutual understanding of objectives and concerns.
- The board of directors shall ensure that its obligations to all its shareholders are understood and met. It will account to the shareholders for the discharge of its responsibilities.

## **2.4. Composition and election of the board of directors**

### **2.4.1. Composition**

Pursuant to the Belgian Company Code and the articles of association of the company, the board of directors should be composed of at least three directors. In accordance with the principles of corporate governance, the board of directors of MDxHealth will, to the extent possible, be composed of at least five directors. At least three directors are independent directors (see also Section 2.7). To the extent possible, at least half of the board of directors shall consist of non-executive directors.

The composition of the board of directors will be determined on the basis of gender diversity and diversity in general, as well as complementary skills, experience and knowledge.

### **2.4.2. Criteria for directors**

The board of directors of MDxHealth believes that its members should have the highest professional and personal ethics and values, consistent with the company's values and standards. They should have broad experience at the policy-making level in business, government, education, technology or public interest. They should be committed to enhancing shareowner value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience.

### **2.4.3. Election of directors**

The directors of MDxHealth are elected by the general shareholders' meeting. However, in accordance with the Belgian Company Code, if the mandate of a director becomes vacant due to his or her death or resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. While the legal maximum (renewable) term for a director's mandate is six years, directors can be elected for a maximum (renewable) term of four years only.

### **2.4.4. Nomination procedure**

The chairman of the board of directors of MDxHealth will lead the nomination process for a new director. In the event the mandate of a director has become or will become vacant, the following procedure will apply:

- In the event the mandate of a director has become or will become vacant, the chairman of the board of directors informs the other directors of the vacancy and invites them to a special meeting of the board of directors.
- When the remaining members of the board of directors consider the appointment of a new director, they evaluate the skills, knowledge, experience and (gender and other) diversity already present and those needed on the board of directors and, in the light of that evaluation, agree on a profile, including a description of the role and skills, experience, knowledge and diversity needed. The nomination and remuneration committee assists the board of directors in evaluating the composition of the board of directors and drafting the profile.
- The nomination and remuneration committee selects, interviews and assesses appropriate candidates in accordance with the aforementioned evaluation and profile.
- Following the selection, interviews and assessment of appropriate candidates, the nomination and remuneration committee gives its recommendation to the board of directors.
- The board of directors decides on the appointment of the director (in the event of a vacancy) or on the submission of the proposals for election of the candidate director to the company's general shareholders' meeting, taking into account the recommendations of the nomination and remuneration committee.

If the board of directors receives a proposal from shareholders to elect a director, the following procedure applies:

- The proposal is submitted to the nomination and remuneration committee, which provides its recommendation to the board of directors.
- The board of directors decides on the appointment of the director (in the event of a vacancy) or on the submission of the proposals for election of the candidate director to the company's general shareholders' meeting, taking into account the recommendation of the nomination and remuneration committee.

In order to maintain flexibility and to be able to best react to changing conditions, the board of directors can deviate from the above procedures if it is of the opinion that this is in the interest of the company.

The chairman of the board of directors ensures that, before considering candidate directors, the board of directors has received sufficient information such as the candidate's résumé (CV), the assessment of the candidate based on the candidate's initial interview, a list of the positions the candidate holds, and, if applicable, the necessary information for assessing the candidate's independence.

Proposals for the election of a director that are submitted to the general shareholders' meeting will be accompanied by a recommendation from the board of directors, based on the advice of the nomination and remuneration committee. The proposal will specify the proposed term of the mandate, which cannot exceed four years as set out above. It will be accompanied by relevant information on the candidate's professional qualifications, together with a list of the positions the candidate already holds. The proposal must indicate whether the candidate satisfies the independence criteria (see also Section 2.7.2 below).

Without prejudice to applicable legal provisions, proposals for the election of a director that are submitted to the general shareholders' meeting must be communicated to the public in the agenda of the general shareholders' meeting, together with the other points on the agenda of the general meeting sufficiently in advance. This provision also applies to proposals for election originating from shareholders.

#### 2.4.5. Professional development - Induction

The chairman ensures that newly appointed directors receive an appropriate induction to ensure their swift contribution to the board of directors. The induction process should help the director grasp the fundamentals of the company, including its strategy, values, governance, business challenges, key policies, finance, risk management and internal control systems.

For directors joining committees of the board of directors, the induction will encompass a description of their specific role and duties and any other information linked to the specific role of that committee. For new audit committee members, the induction will cover the audit committee's terms of reference and provide an overview of the company's internal control organization and risk management systems. They must receive in particular full information on the company's specific accounting, financial, auditing and operational features. This induction may also include a meeting with the external auditor and the relevant staff.

### **2.5. *Evaluation of the board of directors, its committees and the individual directors***

#### 2.5.1. Evaluation of the board of directors and its committees

Under the lead of its chairman, the board of directors will regularly (at least every two to three years) assess its size, composition, performance and those of its committees, as well as its interaction with executive management. The evaluation process has four objectives:

- Assessing how the board of directors and the relevant committees operate.

- Checking that the important issues are suitably prepared and discussed.
- Evaluating the actual contribution of each director's work, his presence at meetings of committees and the board of directors and his or her constructive involvement in discussions and decision-making.
- Checking the actual composition of the board of directors and its committees against the desired composition thereof.

Although evaluation is a responsibility of the board of directors, the board of directors can be assisted in this evaluation by the nomination and remuneration committee, and possibly also by external experts.

#### 2.5.2. Non-executive sessions

The non-executive directors will regularly assess their interaction with executive management. In this respect, non-executive directors intend to meet at least once a year in absence of the CEO and the other executive directors. Actions can, however, only be taken by the board of directors.

#### 2.5.3. Evaluation of individual directors

There will be a periodic evaluation (at least every two to three years) of the contribution of each director aimed at adapting the composition of the board of directors to take account of changing circumstances. When dealing with re-election, the director's commitment and effectiveness will be evaluated in accordance with a transparent procedure established in advance by the board of directors, to the extent relevant. Information on the main features of the evaluation process of the board, its committees and its individual directors will be disclosed in the Corporate Governance Statement.

#### 2.5.4. Results of the evaluation

The board of directors will take into account the results of the performance evaluation by recognizing its strengths and addressing its weaknesses. Where appropriate, this can involve proposing new members for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the board of directors.

### 2.6. ***Chairman of the board of directors***

#### 2.6.1. Appointment of the chairman

The board of directors must appoint a chairman amongst the non-executive directors on the basis of his or her knowledge, skills and experience, including skills in mediation and consensus building. The CEO cannot be the chairman. In the event that the board of directors would envisage appointing a former CEO as director, it will carefully consider the positive and negative aspects in favor of such decision and disclose in the Corporate Governance Statement why such appointment is in the best interest of the company.

#### 2.6.2. Role of the chairman

The chairman of the board of directors is responsible for the leadership of the board of directors. The chairman takes the necessary measures to develop a climate of trust within the board of directors, contributing to open discussion, constructive dissent and support for the decisions of the board of directors.

The chairman promotes effective interaction between the board and the executive management. The chairman establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

### 2.6.3. Specific tasks of the chairman

The chairman has the following tasks:

- The chairman sets the agenda of the meetings of the board of directors, after consultation with the CEO and ensures that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed.
- The chairman is responsible for ensuring that the directors receive accurate, timely and clear information before the meetings and, where necessary, between meetings. All directors should receive the same board information.
- The chairman sees to it that all directors can make a knowledgeable and informed contribution to the discussions of the board of directors and that there is sufficient time for consideration and discussion before decision-making.
- The chairman leads the nomination process for a new director, as set out in Section 2.4.4.
- The chairman is responsible for the induction of new directors, as set out in Section 2.4.5.
- The chairman leads the evaluation of the board of directors and its committees, as set out in Section 2.5.1.
- The chairman ensures that the board appoints committee members and a chairman for each of those committees.
- The chairman conducts the general shareholders' meeting and takes the necessary measures to ensure that any relevant questions from shareholders are answered.

The board of directors of the company can give other specific tasks to the chairman.

## 2.7. ***Non-executive directors and independent directors***

### 2.7.1. Non-executive directors

Non-executive directors should be made aware of the extent of their duties at the time of their application as director, in particular as to the time commitment involved in carrying out their duties.

While exceptions may be warranted in view of the company's interest, non-executive directors are encouraged not to take on more than five directorships in listed companies. Changes to other relevant commitments and new commitments of directors outside the company must be reported to the chairman of the board of directors as they arise.

### 2.7.2. Independent directors

A director will be considered an independent director if he or she meets the criteria set out in Article 526<sup>ter</sup> of the Belgian Company Code. Pursuant to these criteria, independent directors are directors who:

1. have not held a position as an executive member of an administrative body, as a member of the executive committee (*directiecomité / comité de direction*) or as a person charged with the daily management of the company or one of its affiliates during the five year period preceding their election;
2. have not exercised more than three successive mandates as non-executive director of the company, with a maximum of twelve years;
3. have not been members of the executive management of the company or one of its affiliates, during the three-year period preceding their election;
4. have not received a compensation or other significant advantage of a financial nature from the company or one of its affiliates, with the exception of the *tantièmes* and the compensation they may receive or have received as non-executive member of the administrative body or member of the supervisory body;

5. do not own any rights relating to shares representing 10% or more of the total share capital or of a class of shares of the company. If they own less than 10%:
  - (i) such rights, together with other rights held by companies controlled by the director concerned may not equal or exceed 10%, or
  - (ii) the disposal of such shares or the exercise of the rights attached thereto may not be subject to any contractual arrangement or unilateral undertaking from the independent directors;
6. do not represent a shareholder that satisfies the criteria set forth under item 5;
7. have not or have not had during the past fiscal year a significant business relationship with the company or one of its affiliates, directly or as shareholder, member of the administrative body or the executive management of a company or person who has such a relationship;
8. have not been a shareholder or employee of the current or previous statutory auditor of the company or one of its affiliates during the three-year period preceding their election;
9. are not an executive member of the administrative body of another company in which an executive director of the company is a non-executive member of the administrative body or member of the supervisory body, and have no other important ties with executive directors of the company through positions with other companies or bodies; and
10. do not have a close family member (meaning a spouse or legal partner or relative up to the second degree) who is a member of the administrative body or the executive committee, who is charged with the daily management or who is a member of the executive management of the company or one of its affiliates, or who does not comply with any of the other criteria mentioned in points 1 to 9 above.

The board of directors will disclose in its Corporate Governance Statement which directors it considers independent directors. An independent director who ceases to satisfy the requirements of independence should immediately inform the board of directors.

## **2.8. Special committees**

### **2.8.1. General**

The board of directors should set up specialized committees to analyze 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 organization, procedures, policies and activities of the committee.

The board of directors appoints the members and chairman of each committee. Each committee must be composed of at least three members. Only directors can be member of a specialized 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.

Board committees are entitled to seek external professional advice at the company's expense after informing the chairman of the board of directors and the other directors (as set out in Section 2.12).

After each committee meeting, the committee must submit to the board of directors a report on its findings or recommendations.

### **2.8.2. Current specific committees**

The board of directors has established an audit committee and nomination and remuneration committee. The terms of reference of these committees are set out in Section 3 and Section 4 below. Depending on the need, the board can set up additional or ad hoc committees.

## **2.9. Executive management**

The board of directors determines, in close consultation with the CEO, the terms of reference of the executive management, detailing its responsibilities, duties, powers, composition and operation.

The executive management includes all executive directors. If there exists a management committee, the executive management also includes all members of that committee, whether or not the committee is established as an executive committee (*directiecomité / comité de direction*) within the scope of Article 524*bis* of the Belgian Company Code.

The nomination and remuneration committee will assist the board of directors in the nomination and succession planning of executive management, unless otherwise decided by the board of directors.

The board of directors intends to empower executive management to enable it to perform its responsibilities and duties. Taking into account the company's values, its risk appetite and key policies, executive management should have sufficient latitude to propose and implement corporate strategy.

The current terms of reference of the CEO and executive management are set out in Section 5.

## **2.10. Company secretary**

The board of directors must appoint a company secretary to advise the board of directors on all matters of corporate governance. The role of the company secretary includes ensuring, under direction of the chairman, good information flow within the board of directors and its committees and between the executive management and non-executive directors, as well as facilitating induction and assisting with professional development as required. The company secretary should regularly report to the board of directors, under direction of the chairman, on how procedures, rules and regulations of the board of directors are followed and complied with. Where necessary, the company secretary can be assisted by the company's general counsel or external counsel. Individual directors can have access to the company secretary.

## **2.11. External advice**

The directors and the specialized committees of the board of directors can have access to independent professional advice at the company's expense, provided that such advisor acts as advisor to the board of directors and not to individual directors only. Prior to contacting external advisors, directors should inform the chairman of the board of directors thereof. Unless the board of directors decides otherwise with a majority vote, the directors must submit the conclusion of the professional advice to the other members of the board of directors.

## **2.12. Remuneration of directors and executive managers**

The board of directors determines, upon recommendation of the nomination and remuneration committee, the remuneration policy for directors and executive managers.

In determining the remuneration policy, the board of directors intends to take into account the provisions and guidelines set forth in the 2009 Code, unless it believes that deviations are warranted in the company's interest.

The current remuneration policy has been set out in Section 6.

## **2.13. Conduct by directors**

### **2.13.1. General**

Each director is encouraged to exhibit at all times high standards of integrity and ethical behavior, and to comply with the following standards:

- Independence of judgment is required in the decisions of all directors, executive and non-executive alike, whether the non-executive directors are independent directors or not.
- Directors should update their skills and improve their knowledge of the company to fulfill their role both on the board and on board committees (where applicable).
- Directors should make sure they receive detailed and accurate information and should study it carefully so as to acquire and maintain a strong command of the key issues relevant to the company's business. They should seek clarification whenever they deem it necessary.
- All directors are encouraged to attend shareholders' meetings of the company.

### **2.13.2. Confidentiality**

Directors cannot use the information obtained in their capacity as director for purposes other than for the exercise of their mandate.

### **2.13.3. Conflicts of interest**

Each director is encouraged to arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the company.

In accordance with Article 523 of the Belgian Company Code, all directors must inform the board of directors and the statutory auditor of the company of conflicts of interest as they arise and abstain from voting on the matter involved in accordance with the relevant provisions of the Belgian Company Code.

Prior to his or her election, a director must inform the board of directors of his or her Related Party Transactions with MDxHealth or the company's subsidiaries. During his or her mandate as a director, a director must inform the chairman of the board of directors of the Related Party Transactions that he or she or his or her affiliates contemplate to enter into, and such Related Party Transactions can only be entered into after approval by the board of directors, where applicable in accordance with Article 523 of the Belgian Company Code.

For the purpose of this Charter, "**Related Party Transaction**" of a director means any transaction to deliver services or provide supplies or other goods to MDxHealth or the company's subsidiaries either by the director, his or her spouse or unmarried legal partner, a relative of his or her (via birth or marriage) in the second degree, or a legal entity that is directly or indirectly under the control of the director, his or her spouse or unmarried legal partner, or a relative of his or her (via birth or marriage) in the second degree.

## **2.14. Organization of meetings**

### **2.14.1. Schedule of meetings**

At the beginning of the year, the chairman of the board of directors will establish a schedule and agenda of subjects to be discussed during the year (to the extent that this can be foreseen). The board of directors shall have at least four regularly scheduled meetings each year. The dates of these regularly scheduled meetings may be changed by decision of the board of directors. Additional unscheduled meetings of the board of directors may be called upon at any time when the company's interest so requires or upon the request of two directors.

#### 2.14.2. Convening of meetings and advance distribution of materials

The meetings are convened by the chairman of the board of directors. The chairman will establish the agenda for each meeting of the board of directors, after consultation with the CEO. Each director is encouraged to suggest the inclusion of items on the agenda at any time. The agenda should list the topics to be discussed and specify whether they are for information, for deliberation or for decision-making purposes. If the chairman does not convene the meeting within 14 days following the request to call a meeting by two directors, these directors can convene the meeting.

The notice to convene a meeting of the board of directors must mention the place, date, hour and agenda for the meeting, and must be sent to the directors preferably at least one week prior to the meeting. The due convening of a meeting cannot be challenged if all directors are present or represented at the meeting.

Information that is important to the understanding of the board of directors of the business to be conducted at a meeting of the board of directors will be distributed in writing to the directors before the meeting.

#### 2.14.3. Conduct of meetings

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 board of directors are chaired by the chairman. In the absence of the chairman, the meetings are chaired by another director or the CEO.

The company secretary attends all meetings. Other persons or members of the executive management can attend the meetings upon invitation by the chairman or the board of directors.

The meeting of the board of directors can only validly deliberate and resolve on matters that are included on the agenda of the meeting of the board of directors if at least half of the directors are present or represented at the meeting. If this quorum is not present or represented at the meeting, a second meeting of the board of directors can be convened. The quorum requirement shall not apply to this second meeting, except for matters that are included on the agenda of this second meeting, but that were not included on the agenda of the first meeting.

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

Each director can give a power of attorney to another director to represent him or her at a meeting. A director can represent more than one director.

All decisions within the board of directors require a simple majority of the votes cast at a validly convened and quorate meeting.

In exceptional circumstances, when justified by the urgency of the matter and the company's interest, the decisions of the board of directors can be taken by unanimous written resolution of the directors. This procedure cannot be used to establish the financial statements of the company or to use the powers of the board of directors within the framework of the authorized capital (*capital autorisé / toegestaan kapitaal*).

The minutes of the meeting summarize the discussions of the board of directors, specify any decisions taken and state any reservations voiced by directors. The board of directors believes that on occasions, where the subject matter is too sensitive to put in writing, the board of directors can reserve the right only to discuss the matter at the meeting.

### **3. Audit committee**

#### **3.1. Terms of reference**

The audit committee will arrange its procedures, policies and activities in accordance with the terms of reference set out in this Section 3.

The board of directors believes that the policies and procedures of the committee should remain flexible and can be deviated from in order to best react to changing conditions and provide reasonable assurance to the board of directors that the accounting and reporting practices of the company meet applicable requirements. The general provisions that apply to directors and the special committees of the board of directors set out in Section 2 also apply to the audit committee.

#### **3.2. Role of the committee**

The role of the audit committee is to assist the board of directors in fulfilling its financial, legal and regulatory monitoring responsibilities.

Without prejudice to the legal responsibilities of the board, the committee shall have at least the following roles:

- Monitoring the financial reporting process.
- Monitoring the effectiveness of the company's internal control and management systems.
- If there is an internal audit, monitoring the internal audit and its effectiveness.
- Monitoring the statutory audit (*wettelijke controle / contrôle légal*) of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the external auditor.
- Reviewing and monitoring the independence of the external auditor, in particular regarding the provision of additional services to the company.

These tasks and roles are further described below. The board of directors may determine any additional roles of the committee.

The committee shall report regularly to the board of directors on the exercise of its duties, and at least when the board of directors prepares the annual accounts, the consolidated accounts, and where applicable the condensed financial statements intended for publication. The committee should also report regularly to the board of directors on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken. The audit review and the reporting on that review should cover the company and its subsidiaries as a whole.

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

#### **3.3. Composition of the committee**

The committee must be composed of at least three members. 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 non-executive directors can be member of the committee, and their appointment cannot be for a term longer than their mandate as director. Preferably a majority of its members should be independent directors. The composition of the committee may however deviate from these guidelines if, in the reasonable opinion of the board, a different composition can bring more relevant experience and expertise to the committee.

When appointing the committee, the board of directors should satisfy itself that the committee has relevant expertise to fulfill its role effectively, notably in accounting, auditing and financial

matters. For this purpose, at least one member of the committee shall have accounting and auditing experience.

The committee appoints a chairman amongst its members. The chairman of the board of directors should not chair the committee.

### **3.4. Specific tasks of the committee**

#### **3.4.1. Financial reporting process**

When monitoring the financial reporting process, the committee should, in particular, review the relevance and consistency of the accounting standards used by the company and its subsidiaries. This includes the criteria for the consolidation of the accounts of companies in the group.

This review involves assessing the correctness, completeness and consistency of financial information.

The review covers periodic information before it is made public. It should be based on an audit program adopted by the committee. If the periodic information contains scientific data, the committee may ask other board members to review the content.

Executive management must inform the committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In this respect, particular attention should be paid to both the existence of, and the justification for, any activity carried out by the committee in offshore centers and/or through special purpose vehicles.

The committee discusses significant financial reporting issues with both executive management and the external auditor.

#### **3.4.2. Internal control and risk management systems**

The monitoring of the effectiveness of the company's internal control and risk management systems set up by executive management should be done at least once a year, with a view to ensuring that the main risks (including those relating to fraud and compliance with existing legislation and regulations) are properly identified, managed and disclosed according to the framework approved by the board of directors.

The committee reviews the statements included in the (draft) Corporate Governance Statement on internal control and risk management.

The committee reviews the specific arrangements in place which the staff of the company may use, in confidence, to raise concerns about possible improprieties in financial reporting or other matters. If deemed necessary, arrangements should be made for proportionate and independent investigation of such matters, for appropriate follow-up action and arrangements whereby staff can inform the chairman of the committee directly.

#### **3.4.3. Internal audit**

An independent internal audit function should be established within the company, 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 committee. Given the current size of the company, no internal audit function has been appointed at this time.

The committee reviews the internal auditor's work program, having regard to the complementary roles of the internal and external audit functions. It should receive internal audit reports or a periodic summary thereof.

In particular, the committee should make recommendations on the selection, appointment, reappointment and removal of the head of internal audit and on the budget allocated to internal audit, and should monitor the responsiveness of executive management to the committee's findings and recommendations.

#### 3.4.4. External audit

The committee will make a proposal to the board of directors on the selection, appointment and reappointment of the external auditor and the terms of his or her engagement.

In accordance with the Belgian Company Code, final proposals on the appointment and reappointment of the external auditor are to be submitted by the board to the general shareholders' meeting. The committee's proposal in this respect shall be included on the agenda of the general shareholders' meeting.

The committee should obtain, on an annual basis, a written report from the external auditor confirming its independence and containing a description of all relationships between the external auditor and the company and its group. In monitoring the independence of the external auditor, the committee shall, together with the external auditor, examine the risks relating to the independence of the external auditor and the safety measures taken to decrease these risks as documented by the external auditor.

The committee shall also monitor the nature and extent of the additional services provided by the external auditor. The committee will propose to the board and apply formal policy specifying the types of additional services that are (i) excluded, (ii) permissible after review by the committee, and (iii) permissible without referral to the committee, taking into account the specific requirements of the Belgian Company Code and the relevant legislation.

The committee should be informed of the external auditor's work program. Without prejudice to applicable laws requiring the external auditor to report to or warn the board of directors, the committee shall require the external auditor to timely inform it of any key matters arising from the statutory audit of the annual accounts, and in particular on material weaknesses in internal control in relation to the financial reporting process.

The committee reviews the effectiveness of the external audit process, and the responsiveness of executive management to the recommendations made in the external auditor's management letter.

The committee investigates the issues giving rise to the resignation of the external auditor (where applicable), and makes recommendations as to any required action.

#### 3.4.5. Point of contact for internal and external auditors

In addition to maintaining an effective working relationship with executive management, the internal and external auditors should be guaranteed free access to the board of directors. To this effect, the committee will act as the principal contact point for the internal and external auditors. The external auditor and the head of the internal audit have direct and unrestricted access to the chairman of the committee and the chairman of the board of directors.

### 3.5. ***Operation of the committee***

#### 3.5.1. Schedule of meetings

At the beginning of the year, the chairman 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 shall have at least four regularly scheduled meetings each year. At least twice a year, the committee should meet the external and internal auditors (if any), 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.

#### 3.5.2. Convening of meetings and advance distribution of materials

The meetings are convened by the chairman of the committee. The chairman 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 should list the topics to be discussed. If the chairman of the committee does not convene the meeting within 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 one week 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 should be distributed in writing to the members before the meeting.

#### 3.5.3. Conduct of meetings

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 chairman. In the absence of the chairman, the meetings are chaired by another member.

The committee decides whether, and if so, when the CEO, the chief financial officer (or senior employees responsible for finance, accounting, and treasury matters), the internal auditor and the external auditor should attend its meetings. 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 matter.

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 shall have a casting vote.

#### 3.5.4. Access to information

The members of the committee shall have unrestricted access to the offices and all information and papers kept by the company and its subsidiaries. Each member may ask the executive management or any other staff member of the company or its subsidiaries to submit the information that he or she deems useful, appropriate or necessary to perform his or her tasks within the framework of the committee. When requesting such information, each member shall 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 channeled through the chairman of the board of directors.

The committee can have access to external advisors in accordance with the provisions of Section 2.11.

#### 3.5.5. Reporting to the board of directors

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

The committee shall report regularly and at least once a year prior to the approval of the annual financial statements and annual report by the board of directors on the operations, findings and recommendations of the committee in accordance with this Section 3.

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 should be made through the chairman of the committee.

#### 3.5.6. Evaluation

The committee should regularly, and at least every two to three years, review its terms of reference and its own effectiveness and recommend any necessary changes to the board of directors.

## **4. Nomination and remuneration committee**

### **4.1. Terms of reference**

The nomination and remuneration committee will arrange its procedures, policies and activities in accordance with the terms of reference set out in this Section 4.

The board of directors believes that the policies and procedures of the committee should remain flexible and can be deviated from in order to best react to changing conditions. The general provisions that apply to directors and the special committees of the board of directors as set out in Section 2 also apply to the nomination and remuneration committee.

### **4.2. Role of the committee**

The role of the nomination and remuneration committee is:

- To make recommendations to the board of directors with regard to the appointment of directors, the CEO and the other members of the executive management and to ensure that the appointment and re-election process is organized objectively and professionally,
- To make proposals to the board of directors on the remuneration policy for non-executive directors, the CEO and the other members of the executive management and regarding the individual remuneration of directors, the CEO and the other members of the executive management as well as on the resulting proposals to be submitted to the shareholders' meeting, and
- To review and periodically update an overall remuneration policy for the company personnel and directors.

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

### **4.3. Composition of the committee**

The committee must be composed of at least three members. 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 non-executive directors can be member of the committee, and their appointment cannot be for a term longer than their mandate as director. Preferably a majority of its members should be independent directors. The composition of the committee may however deviate from these guidelines if, in the reasonable opinion of the board, a different composition can bring more relevant experience and expertise to the committee.

The committee appoints a chairman amongst its members. The chairman of the board of directors can chair the committee, but should not chair the committee when dealing with the designation of his successor.

The CEO can, and will in principle be invited to, participate to the meetings of the committee when it deals with the remuneration of other executive managers.

### **4.4. Specific tasks of the committee**

#### **4.4.1. Nomination of directors**

With respect to the appointment of directors, the CEO and the other members of the executive management, the committee should at least:

- Draft appointment procedures for board members, the CEO and the other members of the executive management.

- Periodically assess the size, composition and performance of the board of directors and its committees and make recommendations to the board of directors with regard to any changes.
- Assist the board of directors in the nomination procedure, as set out in Section 2.4.4.
- Advise on proposals for appointment originating from shareholders, as set out in Section 2.4.4.
- Properly consider issues related to succession planning.
- Consider proposals made by relevant parties, including executive management and shareholders. In particular, the CEO is entitled to submit proposals to the committee and should be consulted by the committee, especially when dealing with issues concerning executive directors or the executive management.

#### 4.4.2. Remuneration policy

The committee should:

- Make proposals to the board of directors on the remuneration policy for non-executive directors and executive management, as well as, where appropriate, on the resulting proposals to be submitted by the board to the shareholders.
- Make proposals to the board of directors regarding the individual remuneration of directors and executive managers, including variable remuneration and long-term incentives, whether stock-related or not, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and, where applicable, on the resulting proposals to be submitted by the board to the shareholders.
- Annually, submit a remuneration report to the board of directors that is to be included in the Corporate Governance Statement and provide explanations thereon at the shareholders' meeting.

At least once a year, the committee discusses with the CEO both the operation and performance of executive management. The CEO should not be present at the discussion of his own evaluation. The evaluation criteria should be clearly specified.

### 4.5. ***Operation of the committee***

#### 4.5.1. Schedule of meetings

At the beginning of the year, the chairman 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 shall have at least two regularly scheduled meeting 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.

#### 4.5.2. Convening of meetings and advance distribution of materials

The meetings are convened by the chairman of the committee. The chairman 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 should list the topics to be discussed. If the chairman of the committee does not convene the meeting within 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 one week 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 should be distributed in writing to the members before the meeting.

#### 4.5.3. Conduct of meetings

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 chairman. In the absence of the chairman, 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 matter.

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 shall have a casting vote.

#### 4.5.4. Access to information

The committee can have access to external advisors in accordance with the provisions of Section 2.11.

#### 4.5.5. Reporting to the board of directors

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

The committee shall report regularly and at least once a year prior to the approval of the annual financial statements by the board of directors on the operations, findings and recommendations of the committee in accordance with this Section 3. At the same time, the committee shall submit its remuneration report, to be included in the Corporate Governance Statement.

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 should be made via the chairman of the committee.

#### 4.5.6. Specific guidelines

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

#### 4.5.7. Evaluation

The committee should regularly and at least every two to three years review its terms of reference and its own effectiveness and recommend any necessary changes to the board of directors.

## **5. CEO and executive management**

### **5.1. Terms of reference**

The CEO and executive management will arrange their procedures, policies and activities in accordance with the terms of reference set out in this Section 5. These terms of reference have been determined by the board of directors in close consultation with the CEO.

### **5.2. Structure of executive management**

The CEO oversees the different activities of MDxHealth. Together with the CEO and the heads of the main activities constitute the executive management of MDxHealth, as illustrated in [Appendix 3](#). The executive management includes all executive directors of the company. The executive management does not constitute an executive committee (*directiecomité / comité de direction*) within the meaning of Article 524*bis* of the Belgian Company Code.

### **5.3. Chief executive officer**

#### **5.3.1. Appointment**

The CEO is appointed, and can be removed, by the board of directors of the company. The board of directors is to approve the contract for the appointment of the CEO further to the advice of the nomination and remuneration committee.

#### **5.3.2. Role**

The CEO is charged by the board of directors with the day-to-day management of the company, and is therefore also managing director of the company. In this function, the CEO has the following general responsibilities:

- He is responsible vis-à-vis the board of directors for the management of the company and the implementation of the decisions of the board of directors, within the strategy, planning, values and budgets approved by the board of directors.
- He heads and oversees the different central departments and business units of the company, and reports to the board of directors on their activities.
- He is responsible for the development of proposals for the board of directors relating to strategy, planning, finances, operations, human resources and budgets, and such other matters that are to be dealt with at the level of the board of directors.

#### **5.3.3. Specific tasks**

In exercising his role, the CEO has the following specific tasks:

- The CEO takes the final decision in the decisions of the executive management and in the proposals that the executive management submits to the board of directors.
- He must put internal controls in place (*i.e.* systems to identify, assess, manage and monitor financial and other risks), without prejudice to the monitoring role of the board of directors, based on the framework approved by the board of directors.
- He is responsible and accountable vis-à-vis the board of directors of the company for the complete, timely, reliable and accurate preparation of the company's financial statements, in accordance with the applicable accounting standards and policies of the company.
- He is responsible and accountable vis-à-vis the board of directors of the company for the preparation of the company's required disclosure of the financial statements and other material financial and non-financial information.
- He presents the board of directors with a balanced and understandable assessment of the company's financial situation,

- He provides the board of directors in due time with the information necessary for the board of directors to carry out its duties,
- He is responsible and accountable to the board of directors for the discharge of his responsibilities and those of the other executive managers.

The board of directors of the company can charge the CEO with other specific tasks.

#### **5.4. Other executive managers**

##### **5.4.1. Appointment**

The other executive managers are appointed and removed by the CEO in close consultation with the board of directors of the company. The board of directors is to approve the contracts for the appointment of the other executive managers further to the advice of the nomination and remuneration committee.

##### **5.4.2. Tasks**

The tasks of the heads of the main activities and central departments (and their divisions) are the following:

- They must organize their business unit/department in accordance with the guidelines determined by the CEO.
- They report to the CEO on the operation and activities of their business unit/department.

#### **5.5. Operation of executive management**

##### **5.5.1. Conduct of meetings**

The executive managers will periodically meet with CEO to discuss:

- The strategy of their department.
- The organization of their department.
- The financial management of their department.
- New projects.
- Compliance with budgets.
- The follow-up of existing projects.

At least on a monthly basis, the CEO and all executive managers have a meeting during which they discuss the overall general strategy, financial management and business of the company. During these meetings, the executive management also discusses proposals for decisions to be made by the board of directors, including with respect to strategy, planning, finances and budgets.

Additional meetings can be called by the CEO whenever the need for such meetings arises. All meetings are chaired by the CEO.

All 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 they can communicate with each other.

Reports or minutes are made for each meeting, listing the matters discussed and the decisions taken. Where the subject matter is too sensitive to put in writing, the executive management can reserve the right only to discuss the matter at the meeting. These reports will focus on action items and do not need to be retained in the records of the company.

#### 5.5.2. Reporting to the board of directors

The CEO shall report regularly during the scheduled meetings of the board of directors on the operations, findings and recommendations of the committee.

The members of the board of directors can have access to the assistance or advice of the executive management. Where practical or appropriate, requests to have such access should be made via the CEO.

### 5.6. **Conduct by executive management**

#### 5.6.1. General

Each executive manager is encouraged to exhibit at all times high standards of integrity and ethical behavior. They must be loyal to the company and its subsidiaries.

#### 5.6.2. Confidentiality

Executive managers cannot use the information obtained in their capacity as executive manager for purposes other than for the exercise of their mandate.

Executive managers should treat all inside information (as defined by applicable law) as strictly confidential, and should disclose such information to other employees and staff members of the company and its subsidiaries only on a need-to-know basis, subject to appropriate measures to secure confidentiality and in accordance with the guidelines established by the board of directors.

#### 5.6.3. Conflicts of interest

Each executive manager is encouraged to arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the company.

Prior to his or her appointment, an executive manager must inform the board of directors of his or her Related Party Transactions with the company or its subsidiaries. During his or her mandate as an executive manager, an executive manager must inform the CEO and the chairman of the board of directors of the Related Party Transactions that he or she or his or her affiliates contemplate to enter into, and such Related Party Transactions can only be entered into after approval by the board of directors.

For the purpose of this charter, "**Related Party Transaction**" of an executive manager means any transaction to deliver services or provide supplies or other goods to MDxHealth or the company's subsidiaries either by the executive manager, his or her spouse or unmarried legal partner, a relative of his or her (via birth or marriage) in the second degree, or a legal entity that is directly or indirectly under the control of the executive manager, his or her spouse or unmarried legal partner, or a relative of his or her (via birth or marriage) in the second degree.

The above is without prejudice to the rules that apply to executive directors in the performance of their mandate as director.

## **6. Remuneration policy**

### **6.1. General**

The company is of the opinion that the levels of remuneration granted to directors and executive manager should be such so as to allow the company to attract, retain and motivate directors and executive managers have the profile determined by the board of directors.

This Section 6 sets out the remuneration policy that has been determined by the board of directors upon recommendation of the nomination and remuneration committee. No individual can decide on his or her own remuneration.

### **6.2. Remuneration report**

The board of directors of the company is to adopt a remuneration report which is to be submitted to the board of directors by the nomination and remuneration committee and which is to contain:

- A description of the company's internal procedures for developing (i) a remuneration policy for non-executive directors and executive managers and (ii) for setting the level of remuneration for non-executive directors and executive managers.
- A statement of the adopted remuneration policy for the executive managers, clearly emphasizing, if applicable, any significant changes to this remuneration policy occurred since the end of the financial year that is reported on.
- Where executive managers are eligible for incentives based on the performance of the company or its subsidiaries, the criteria for the evaluation of performance achieved against targets as well as the term of evaluation, it being understood that such information will only be provided if and to the extent that no confidential information regarding the company or its strategy is disclosed thereby.
- The amount of the remuneration and other benefits granted directly or indirectly to the non-executive directors, by the company or its subsidiaries, on an individual basis.
- The amount of the remuneration, if any, which an executive manager that is also member of the board of directors as executive director receives for the performance of his or her function as executive director.
- The amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the company or its subsidiaries, in accordance with the 2009 Code.
- The amount of the remuneration and other benefits granted directly or indirectly to the other members of the executive management, by the company or its subsidiaries, on an aggregate basis, in accordance with the 2009 Code.
- For the CEO and the other members of the executive management, the number and key features of shares, share options or any other rights to acquire shares, granted, exercised or lapsed during the reported financial year.
- A justification of any contractual arrangement with the CEO or any other executive manager specifying that severance pay awarded in the event of early termination exceeds 12 months' basic and variable remuneration.

The remuneration report forms a well-defined part of the Corporate Governance Statement.

### **6.3. Non-executive directors' remuneration**

The mandate of the non-executive directors may be terminated "*ad nutum*" (at any time) without any form of compensation. The remuneration package of all non-executive directors is subject to approval by the general shareholders' meeting.

According to the 2009 Code, the remuneration of non-executive directors should take into account their role as ordinary board members, and specific roles, as chairman of the board of directors, chairman or member of board committees, as well as their resulting responsibilities

and commitment in time. The board of directors believes that the remuneration policy should compensate the effective attendance by non-executive board members of board and committee meetings, with a higher compensation for independent non-executive board members than for non-executive board members who are not independent.

According to the 2009 Code, non-executive directors should not be entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits. The board of directors is however of opinion that, for a company of the size of MDxHealth, it may be necessary to issue stock options to non-executive directors, with a view to attracting directors with the relevant expertise and experience.

Apart from the above remuneration, non-executive directors are entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to board or committee meetings.

The company will disclose annually, in its remuneration report, a description of the amount of the remuneration and other benefits granted directly or indirectly to the non-executive directors, by the company or its subsidiaries, on an individual basis.

#### **6.4. Executive directors and executive management' remuneration**

##### **6.4.1. Executive directors**

The mandate of the executive directors may be terminated “*ad nutum*” (at any time) without any form of compensation.

The board is of the opinion that executive managers that are also member of the board of directors as executive director should not be compensated for the performance of their function as executive director. Should any executive manager, that is also member of the board of directors as executive director, nevertheless be compensated for the performance of his or her function as executive director, this will be disclosed in the remuneration report in accordance with the provisions of the 2009 Code. The remuneration package of executive directors, if any, is in any event also subject to approval by the general shareholders' meeting.

Executive directors are entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to board or committee meetings. Travel expenses will be reimbursed at economy class rate, except where pre-approved otherwise.

##### **6.4.2. Executive management**

The remuneration of the members of the executive management is determined by the board of directors upon recommendation by the nomination and remuneration committee.

The remuneration of the executive management is designed to attract, retain and motivate qualified and expert professionals, taking into account the nature and scope of their responsibilities, whereby an appropriate proportion of the executive manager's remuneration package is structured so as to link rewards to corporate and individual performance, thereby aligning the executive managers' interests with the interests of the company and its shareholders.

The level and structure of the remuneration of the executive management are subject to an annual review by the nomination and remuneration committee to take into account market practice. The annual review does not provide mechanisms for automatic adjustments, except for changes that are legally required.

The remuneration of the members of the executive management consists of the following elements:

- Each member of the executive management is entitled to a basic fixed remuneration designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions.

- The company pays a variable remuneration dependent on the executive management member meeting individual and/or team objectives.
- Each member of the executive management may be offered the possibility to participate in a stock-based incentive scheme, in accordance with the recommendations set by the nomination and remuneration committee, after recommendation by the CEO to such committee.
- Each member of the executive management is in addition entitled to a number of fringe benefits, consisting in most cases of participating in a defined contribution pension scheme, also providing pension and disability insurance, a company car, a mobile telephone, internet access and/or a laptop computer according to general company policy, and other collective benefits (such as hospitalization insurance, meal vouchers).

The company will disclose annually, in its remuneration report, a description of the amount of the remuneration and other benefits granted directly or indirectly to the CEO (on an individual basis), as set forth in the 2009 Code. The remuneration report will also contain a description of the amount of the remuneration and other benefits granted directly or indirectly to the other members of the executive management, by the company or its subsidiaries, on an aggregate basis, in accordance with the 2009 Code. For the CEO and the other members of the executive management, the remuneration report should also disclose the number and key features of shares, share options or any other rights to acquire shares, granted, exercised or lapsed during the reported financial year.

#### 6.4.3. Contract of the CEO and the other executive managers

The great majority of the members of the executive management are engaged on the basis of an employment contract. The employment contracts are generally for an indefinite term, with a trial period. The employment contracts may be terminated at any time by the company, subject to a severance payment. The employment contracts include, where appropriate, non-competition undertakings, as well as confidentiality and IP transfer undertakings (that will try to seek maximum protection of the company's interests, under applicable laws and subject to the employee's agreement).

Certain other members are engaged on the basis of a service arrangement. The services contracts can be terminated at any time, subject to certain pre-agreed notice periods or compensations. Executive members that are engaged on the basis of a services contract do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer according to general company policy and they qualify for reimbursement of expenses incurred while carrying out their professional responsibilities.

All contracts for the appointment of the CEO and other members of the executive management are to be approved by the board of directors, further to the advice of the nomination and remuneration committee.

The contracts entered into on or after 1 July 2009 should moreover refer to the relevant criteria to be taken into account, as set forth in the 2009 Code, when determining the variable remuneration and contain specific provisions relating to early termination.

Any contractual arrangement made between the company or its subsidiaries after 1 July 2009 concerning the remuneration of the CEO or other members of the executive management is to specify that severance pay awarded in the event of early termination should not exceed 12 months' basic and variable remuneration. The board of directors may however, subject to a recommendation by the nomination and remuneration committee, consider higher severance pay in specific cases provided that such higher severance pay is in any event limited to 18 months' basic and variable remuneration and subject to the board justifying the same in the remuneration report. Notwithstanding the foregoing, the board of directors should fix the amount of severance pay to 12 months' basic remuneration (without taking into account any variable remuneration) if the departing CEO or other member of the executive management did not meet the performance criteria referred to in his or her contract.

## **7. Shareholders and shareholders' meetings**

### **7.1. General**

The board of directors intends to treat all shareholders that are in the same situation equally and to respect their rights.

### **7.2. Communication with shareholders and potential shareholders**

The disclosure and communication policy of the company is to promote an effective dialogue with the shareholders and potential shareholders.

The company will ensure that all necessary facilities and information are available in order to allow the shareholders to exercise their rights.

The board of directors also encourages its shareholders to participate to its shareholders' meetings, through which communication between the company and the shareholders can be established.

In the event that the company should have one or more controlling shareholders, the board will endeavor to have the controlling shareholders make a considered use of its/their position and respect the rights and interests of minority shareholders. The board will to the extent possible encourage the controlling shareholders to respect the corporate governance principles.

### **7.3. Rights and obligations of the shareholders**

This Section 7.3 summarizes the material rights and obligations of the shareholders of the company under Belgian law and the company's articles of association. The description hereafter is only a summary and does not purport to give a complete overview of the articles of association, nor of all relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters.

#### **7.3.1. Rights attached to the shares**

##### **(a) *Voting rights***

Each shareholder of the company is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended in relation to shares:

- which were not fully paid up notwithstanding the request thereto by the board of directors;
- to which more than one person is entitled, except in the event where a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the company on the date of the relevant general shareholders' meeting, except in the event the relevant shareholder has notified the company and the FSMA at least twenty days prior to the date of the general shareholders' meeting on which he or she wishes to vote (see also below under Section 7.3.5) of its shareholding exceeding the above thresholds; and
- of which the voting right was suspended by a competent court or the FSMA.

Generally, the shareholders' meeting has sole authority with respect to:

- the approval of the statutory financial statements of the company;

- the appointment and resignation of directors and of the statutory auditor of the company;
- the granting of discharge of liability to directors and the statutory auditor;
- the determination of the remuneration of the directors and the statutory auditor for the exercise of their mandate;
- the distribution of profits;
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other re-organizations of the company;
- the approval of amendments to the articles of association.

(b) *Right to attend and vote at general shareholders' meetings*

The annual general shareholders' meeting is held every year on the last Friday of May at 10 a.m. at the registered office of the company or at the place determined in the notice convening the shareholders' meeting.

The board of directors or the statutory auditor can, at any given time when the interest of the company so requires, convene a special or extraordinary general shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding at least 20% of the company's share capital so demand. Shareholders that do not hold at least 20% of the company's share capital do not have the right to have general shareholders' meetings convened. This percentage is in line with article 532 of the Belgian Company Code, but as a smaller listed company, MDxHealth hereby deviates from the 5% threshold provided for in the 2009 Code.

The agenda of the shareholders' meetings is set by the board of directors subject to the specific powers granted by law to the statutory auditor of the company. Shareholders that hold at least 5% (until December 31, 2011) or 3% (as from January 1, 2012) of the company's share capital can, however, submit proposals to the board of directors to add or amend agenda items for general shareholders' meetings.

For all further information regarding shareholders' meetings (including their organization, prior notice and deposit formalities, admission formalities, quorum and majority requirements) reference is made to the applicable provisions of the Belgian Company Code, the articles of association of the company and the specific section of the company's website containing a timetable on periodic information and shareholders' meetings.

Notices of all shareholders' meetings, and all related documents, such as specific board of directors' and auditor's reports, are also published on the company's website. The notices will also provide appropriate additional information regarding the specific formalities to be fulfilled for admission, participation and voting at shareholders' meetings, including with respect to voting by distance and/or proxy.

(c) *Dividends*

All shares participate in the same manner in the company's profits (if any). Pursuant to the Belgian Company Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent audited statutory financial statements, prepared in accordance with the general accepted accounting principles in Belgium and based on a (non-binding) proposal of the company's board of directors. The company's articles of association also authorize the board of directors to issue interim dividends on profits of the current fiscal year subject to the terms and conditions of the Belgian Company Code.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the company's net assets on the date of the closing of the last financial year as follows from the statutory financial statements (*i.e.* the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with

Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital, increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allocated to a legal reserve, until the legal reserve amounts to 10% of the share capital.

In relation to physical bearer shares, the Belgian Act of July 24, 1921, provides that, in the event the payment of dividends on bearer shares has not been claimed by the legal holder thereof, the company has the right to deposit those dividends with the *Deposito en Consignatiekas / Caisse de Dépôts et Consignation*. The right to demand the distribution of dividends so deposited expires after thirty years, at which time the related dividends become the property of the Belgian State. With regard to registered shares, the right to payment of dividends expires five years after the board of directors declared the dividend payable.

(d) *Rights regarding liquidation*

The company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary general shareholders' meeting where at least 50% of the share capital is present or represented.

If as a result of losses incurred the ratio of the company's statutory net-assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, the board of directors must convene a special shareholders' meeting within two months as of the date the board of directors discovered or should have discovered this undercapitalization. At this shareholders' meeting the board of directors needs to propose either the dissolution of the company or other measures for the continuation of the company. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the company, provided that at least 50% of the company's share capital is present or represented at the meeting.

If as a result of losses incurred the ratio of the company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event shareholders representing 25% of the votes cast at the meeting can decide to dissolve the company.

If the amount of the company's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a public limited liability company (*naamloze vennootschap / société anonyme*)), each interested party is entitled to request the competent court to dissolve the company. In that event, the company can present a plan to continue its activities. The court can order the dissolution of the company or grant a grace period within which the company is to remedy the situation.

In the event the company is dissolved, the assets or the proceeds of the sale of the remaining assets, after payment of all debts, costs of liquidation and taxes, must be distributed on an equal basis to the shareholders, taking into account possible preferential rights with regard to the liquidation of shares having such rights, if any. Currently, none of the shares has any preferred liquidation rights.

(e) *Changes to the share capital*

*Changes to the share capital decided by the shareholders* – The general shareholders' meeting can at any given time decide to increase or decrease the share capital of the company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described above.

*Capital increases by the board of directors* – Subject to the same quorum and majority requirements, the general shareholders' meeting can authorize the board of directors, within certain limits, to increase the company's share capital without any further approval of the shareholders. This is the so-called authorized capital. This authorization needs to be limited in time (*i.e.* a renewable period of maximum five years), and in scope (*i.e.* the authorized capital

may not exceed the amount of the share capital of the company). On May 30, 2008, the general shareholders' meeting renewed the authorization of the board of directors to increase the share capital of the company within the framework of the authorized capital. These authorization and powers are further discussed in Section 7.3.4 below.

(f) *Preferential subscription right*

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants, the shareholders have a preferential subscription right to subscribe to the new shares, convertible bonds or warrants, pro rata of the part of the share capital represented by the shares that they already have.

The general shareholders' meeting can decide to limit or cancel the preferential subscription right, subject to special reporting requirements. Such decision needs to satisfy the same quorum and majority requirements as the decision to increase the company's share capital. The shareholders can also decide to authorize the board of directors to limit or cancel the preferential subscription right within the framework of the authorized capital, subject to the terms and conditions set forth in the Belgian Company Code. See also under Section 7.3.4 below.

Normally, the authorization of the board of directors to increase the share capital of the company through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the company by the FSMA of a public takeover bid on the financial instruments of the company. The general shareholders' meeting can, however, authorize the board of directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares of the company at the time of such a public takeover bid. Such authorization has been granted to the board of directors of the company and is valid until the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011. See also under Section 7.3.4 below.

7.3.2. Form and transferability of the shares

The company's shares can take the form of bearer shares, dematerialized or registered shares. All of the company's shares are fully paid up and freely transferable.

7.3.3. Purchase and sale of own shares

In accordance with the company's articles of association and the Belgian Company Code, the company can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a general shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the company purchases the shares to offer them to the company's personnel.

In accordance with the Belgian Company Code, an offer to purchase shares must be made to all shareholders under the same conditions. This does not apply to the acquisition of shares via a regulated market or the acquisition of shares that has been unanimously decided by the shareholders at a meeting where all shareholders were present or represented. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders. The total amount of shares held by the company can at no time be more than 20% of its share capital. On the date of this Charter, the board of directors did not have any authorization from the shareholders' meeting to redeem shares.

7.3.4. Authorized capital

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the board of directors has been expressly authorized to increase the company's share capital in one or more transactions with a total amount €10,517,661.90 (the "Authorized Capital Amount"). This authorization is valid until the date of the annual general

shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011.

The power of the board of directors to increase the share capital in one or more transactions in the framework of the authorized capital is subject to the following special conditions:

- a) The board of directors is authorized within the framework of the authorized capital to increase the share capital in one or more transactions, for whatever purpose or whatever transaction that the board of directors deems appropriate or necessary (such opinion to be evidenced by the use which the board of directors makes of said power), to the extent that the total amount of funds raised (consisting of capital contribution and issuance premium) does not exceed € 18,000,000.00.
- b) As soon as the board of directors will have increased the share capital, within the framework of the authorized capital, in one or more transactions, for an amount equal to the maximum amount provided above (be it subject to the condition precedent of the realization of the capital increase or not), then the board of directors can only further increase the share capital in one or more transactions beyond this maximum amount, provided that such increase is approved by at least two thirds of members of the board of directors, and provided that the capital increase takes place within the framework of any of the following transactions:
  - the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, consultants and personnel of the company and its subsidiaries;
  - the issuance of financial instruments or securities in consideration of the acquisition of shares, assets and liabilities or combinations of shares, assets and liabilities, of companies, undertakings, businesses and associations;
  - the issuance of financial instruments or securities in consideration of the acquisition of licenses, ownership rights or other rights on intellectual property (whether registered or unregistered intellectual property rights, or applications in respect thereof), such as patents, copyrights, data base rights, design rights, know-how and trade secrets;
  - the issuance of financial instruments or securities in consideration of the entering into partnerships or other business associations.

When using its powers under the authorized capital the board of directors can issue shares, with or without voting rights, warrants, convertible bonds or combinations thereof or other securities. The board of directors can increase the company's share capital through contributions in cash by existing shareholders using their preferential subscription right, as well as through contributions in kind and contributions in cash with a limitation or cancellation of the preferential subscription right of the existing shareholders, even for the benefit of individuals that are not an employee of the company or its subsidiaries. The capital can also be increased through incorporations of reserves or issuance premiums.

As mentioned above, the board of directors was further authorized to issue up to 10% new shares following receipt of a notification that a takeover bid has been launched on the shares of the company. This authorization is valid until the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011 and is further subject to the above-mentioned conditions.

#### 7.3.5. Notification of important participations

The Belgian Company Code, applicable legislation and the company's articles of association provide that each natural person or legal entity acquiring or transferring shares or other financial instruments of the company that entitle the holder thereof to voting rights, whether or not representing the company's share capital (such as warrants or convertible bonds, if any), must, immediately and at the latest within four NYSE Euronext business days following the transaction, notify the company and the FSMA of the total number of voting financial

instruments held by him or her each time where as a result of the acquisition or transfer the total number of voting financial instruments held by him or her after the transaction exceeds or falls below a threshold of 3%, 5%, 10% or 15% (or every subsequent multiple of 5%) of the total number of voting financial instruments of the company at the moment of the transaction.

All persons acting individually must make the notification. It must also be made by affiliated persons or persons acting in concert with respect to the holding, acquisition or transfer of voting financial instruments. In that event, the voting financial instruments of the affiliated persons or persons acting in concert must be combined for the purpose of determining whether a threshold is passed.

The forms to make the aforementioned disclosures, as well as further explanations can be found on the website of the FSMA ([www.fsma.be](http://www.fsma.be)). Upon receipt of a disclosure notice, the company has a term of three NYSE Euronext business days to publish the information contained therein. In addition, the company must disclose in its Corporate Governance Statement an overview of its important shareholders based on the disclosure notices that it has received.

The FSMA and the commercial court can suspend voting rights attached to voting financial instruments that have not been disclosed in accordance with the foregoing provisions. In addition, the president of the commercial court can also order the sale of the financial instruments to a third party. In any event, shareholders cannot vote at shareholders' meetings with more voting rights than they have notified in accordance with the above rules at least twenty days prior to a shareholders' meeting.

#### 7.3.6. Public takeover bids and provisions having anti-takeover effect

##### (a) *Public takeover bids*

Public takeover bids on the company's shares and other voting securities (such as warrants or convertible bonds, if any) are subject to the supervision by the FSMA. Public takeover bids must be made for all of the company's voting securities, as well as for all other securities that entitle the holders thereof to the subscription to, the acquisition of or the conversion in new voting securities. Prior to making a bid, a bidder must issue and disseminate a prospectus, which must be approved by the FSMA. The bidder must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of the company.

In addition, as soon as a person or group of persons acting in concert, holding more than 30% of the voting securities issued by the company would (whether through an acquisition or a subscription etc.) be holding more than 30% of the voting securities, the outstanding voting securities of the company will become subject to a takeover bid, at a price compliant with the provisions of the Belgian takeover legislation.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings (see under Section 7.3.5 above) and merger control, that may apply to the company and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the company's shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

In addition, the board of directors of Belgian companies may in certain circumstances, and subject to prior authorization by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (within the framework of the authorized capital – see Section 7.3.4 above) or through share buy-backs (*i.e.*, purchase of own shares see Section 7.3.3 above).

Normally, the authorization of the board of directors to increase the share capital of the company within the authorized capital through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the company by the FSMA of a public takeover bid on the securities of the company. The general shareholders' meeting can, however, authorize the board of directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares of the company at the time of such a public takeover bid. Such authorization has been granted to the board of directors on February 18, 2011 and is valid until the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011. See also under Section 7.3.4 above.

As mentioned above, the board of directors is currently not granted the authorization to purchase own shares in case of a threatening serious disadvantage to the company.

(b) *Squeeze out*

Pursuant to Article 513 of the Belgian Company Code, or the regulations promulgated thereunder, a person or entity, or different persons or entities acting alone or in concert, who, together with the company, own 95% of the securities conferring voting rights in a public company, can acquire the totality of the securities conferring (potential) voting rights in that company following a squeeze-out offer. The shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the offer, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders.

(c) *Sell-out right*

Holders of securities conferring (potential) voting rights may require an offeror who, acting alone or in concert, following a takeover bid, owns 95% of the voting capital or 95% of the securities conferring voting rights in a public company to buy their securities at the price of the bid, upon the condition that the offeror has acquired, through the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

7.3.7. Trading in the company's shares by directors, executive managers and others

The board of directors has adopted a dealing code to prevent market abuse by its directors and executive managers. The dealing code includes the procedures that should be followed by directors, executive managers and other staff members and their affiliates or relatives:

- with respect to treating confidential inside information, and
- trades by them in financial instruments of the company, whether directly or indirectly.

With respect to trading in financial instruments of the company, the dealing code provides for the following rules:

- No trades in financial instruments are permitted during certain blocked periods before the release of annual and semi-annual financial statements and whenever the person concerned has inside information that has not yet been disclosed to the market. During other periods, any trade contemplated must be reported to the compliance officer who can decide to prohibit the trade during a term of no more than two months.
- All trades in financial instruments must be reported two business days on forehand to the compliance officer. These trades in shares will be disclosed by the company in line with applicable legislation.
- Trades are defined as any sale or purchase of, or agreement to sell or purchase, any financial instrument of the company, and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put, or both) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of

any financial instrument, or any interest in a financial instrument, of the company. Financial instruments of the company are defined as shares, warrants, and convertible bonds issued by the company, and any other right issued by the company to acquire such shares, warrants and convertible bonds.

The company's dealing code is available on the "Investors – Shareholders' Information" section of the company's website ([www.mdxhealth.com](http://www.mdxhealth.com)).

## Appendix 1 - Deviations

The list below contains an overview of the provisions of the 2009 Belgian Code on Corporate Governance that are not fully complied with. For an explanation for the deviation, reference can be made to the corresponding Sections of the Charter mentioned below.

- Given the size of the company, no internal audit function exists at this time.
- Given the size of the company, the board will strive to include a majority of independent board members on the audit committee and on the nomination and remuneration committee, but may deviate from such a majority of independents on such committees if, in the reasonable opinion of the board, a different composition can bring more relevant experience and expertise to such committee.
- Although, according to the 2009 Code, non-executive directors should not be entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits, the board of directors is however of opinion that, for a company of the size of MDxHealth, it may be necessary to issue stock options to non-executive directors, with a view to attracting directors with the relevant expertise and experience.
- Shareholders' meeting must be convened every time one or more shareholders holding at least 20% of the company's share capital so demand. This percentage is in line with article 532 of the Belgian Company Code, but as a smaller listed company, MDxHealth hereby deviates from the 5% threshold provided for in the 2009 Code.

## Appendix 2 – Important shareholders

The table below provides a summarized overview of the shareholders that have, as per February 22, 2017, notified the company of their ownership of securities within the framework of the transparency legislation (Belgian Act of May 2, 2007) concerning major holdings in issuers whose shares are admitted to trading on a regulated Belgian market.

Shareholder (or party representing shareholder)	Number of shares	% of outstanding shares	Situation as of	Last notification received
Biovest Comm. VA.	6,600,969	13.24%	November 24, 2016	July 1, 2015
Valiance Asset Management	6,366,834	12.77%	November 24, 2016	July 3, 2015
<b>Total of notified shares</b>	12,957,803	26.01%		
<b>Total outstanding shares</b>	49,845,595	100%		

### **Appendix 3 – Organizational structure**

The executive management team of MDxHealth is composed of the following positions:

- Chief Executive Officer (CEO)
- EVP & U.S. Chief Operating Officer (COO)
- EVP, General Counsel (GC) & Chief Compliance Officer (CCO)
- EVP & Chief Financial Officer (CFO)

The executive management includes all executive directors of MDxHealth. The executive management does not constitute an executive committee (*directiecomité / comité de direction*) within the meaning of Article 524*bis* of the Belgian Company Code.