



Corporate Governance Charter

October 28th, 2014

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Introduction

On 12 March 2009, the Corporate Governance Committee published the 2009 edition of the Belgian Corporate Governance Code (the **Code**). On 6 June 2010, the Code was designated by Royal Decree as the reference code for listed companies.

Melexis NV (the **Company**) is listed since October 1997. Corporate Governance has always been an important, ever-developing tool in order for the Company to ensure that it serves the interests of its stakeholders and of the shareholders in particular. The Company complies with the principles of good management and transparency as laid down in the principles and provisions of the Code and applies the Code as reference code. The Company provides an overview of the provisions of the Code it does not comply with in its annual Corporate Governance Statement.

This Corporate Governance Charter was last updated in February, 2014 and October, 2014.

Together with the Articles of Association of the Company, the Corporate Governance Charter provides a reliable framework for the organisation of the management of the Company.

1. Structure and organisation

1.1. Legal structure

Melexis NV is a company established in Belgium, with registered office in 8900 Ieper, Rozendaalstraat 12.

The Company is a shareholder of subsidiary companies, either directly or indirectly through other companies. An overview of the **Melexis Group** can be found in the annual report on the website. According to article 8.4. of the BCC the major shareholders, their voting rights and their participation are as follows :

<http://www.melexis.com/InvestorRelations-ShareInfo.aspx?sTab=Shareholders%20Structure>

The Company is governed by the Board of Directors and its Executive Management.

1.2. Company organisation

The business of the Company is divided into several business units. Each business unit has a portfolio of activities focused on a specific product segment / market with common objectives and strategies.

The business units constitute the economic engine of the Company. Each business unit is led by a business unit manager, reporting directly to the CEO.

The global functional managers are responsible for functional excellence and compliance in their respective domains and also report to the CEO.

A description of the Company's business and functional units can be found at www.melexis.com.

2. Shareholder structure

2.1. Majority shareholders

The current shareholder structure can be found on Melexis' website at

<http://www.melexis.com/InvestorRelations-ShareInfo.aspx?sTab=Shareholders%20Structure>

2.2. Direct or indirect relationships between the Company and its major shareholders

Not applicable

2.3. Dialogue with the shareholders

The Company publishes all information for the shareholders, including the agenda of the General Meeting, the quarterly and annual results and all other legally required information on its website at www.melexis.com/investor.aspx

3. Board of Directors – terms of reference

3.1. Role, responsibilities and powers

3.1.1. Role

The Board of Directors is the Company's supreme decision-making body and has the most extensive decision powers, except for those decisions reserved by company law or the articles of association to the General Meeting.

The basic principle supporting the decisions of the Board of Directors is to maintain a successful company in the field of semiconductor components primarily for use in the automotive industry and equally for use in the consumer, industrial and medical markets. However, this does not mean that additional activities may not be considered.

3.1.2. Responsibilities

The main responsibilities of the Board of Directors relate to giving strategic direction to the Company and the supervision of the state of affairs. In this context, the key tasks of the Board of Directors are:

- to identify and understand strategic challenges and the corresponding opportunities and risks for the Company;
- to establish the Company's strategy and the ethics and values, key policies and standards that may influence the way in which the strategic objectives are achieved;

The strategic focus of the Board of Directors is primarily aimed at the development of the business activities, financial and risk management and the guarantee that the Company has the leadership available that is most suited in order to meet the strategic objectives. For those purposes, the Board of Directors will:

- hold regular strategic meetings to assess the market position and strategies of the business, to discuss the strategy proposals and to decide on strategies that will be implemented under the management of the CEO;
- based on proposals from the CEO:
 - assess and approve the Company's financial objectives, including the risk appetite and the corresponding capital needs;
 - assess and approve the strategies intended to achieve and maintain the intended capital levels and structure;
- to assess and supervise the performance of the Company in relation to the strategic objectives, plans and budgets;
- to take all necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information disclosed to the shareholders and potential shareholders;
- to approve a framework of internal control and risk management set up by the Executive Management and to be disclosed in the Corporate Governance Statement in the annual report;
- to review the implementation of this framework, taking into account the review made by the Audit Committee;
- to supervise the performance of the statutory and/or registered auditor (hereinafter "external auditor") and supervise the internal audit function, taking into account the review made by the Audit Committee;
- to maintain a continuous interaction and dialogue with, as well as create a climate of respect, trust and openness with the Executive Management;
- to review Executive Management performance as well as the effectiveness of the Board's committees;
- to decide on the Executive Management structure and determine the powers and duties entrusted to the Executive Management;
- to resolve on subjects reserved to the Board of Directors, such as:

- all decisions on proposals to be presented to the General Meeting;
- decisions relating to the Company management, including the appointment of the Chairman of the Board of Directors, as well as the Executive Management, the composition and the definition of the roles and responsibilities of the board committees, the definition of the roles and responsibilities of the CEO;
- important business decisions, including:
 - approving business plans and budgets;
 - any transaction, regardless of the amount, considered by the CEO to be submitted to the Board of Directors for a decision with respect to the nature or the importance of the risks involved;
 - the Company's accounting principles, in accordance with the accounting standards generally applicable and the definition of all public financial information;
 - proposals in relation to the (interim-)dividend and financing transactions that may affect the subscribed capital.

3.1.3. Powers

The Board of Directors has the power and duty to use effective, necessary and proportional means to fulfil its duties.

Individual Directors have access to independent professional advice at the Company's expense, after approval of the Board, if they consider this necessary for the execution of their duties as a Director.

The Company is legally represented by (a) any two Directors acting jointly, (b) the CEO for decisions within the daily management of the Company or (c) any proxy holders as indicated by and within the limits set by the Board of Directors or the CEO.

3.2. Composition

3.2.1. Directors

The Board of Directors is composed of at least five members, not necessarily shareholders. At least half of the Board of Directors are non-executive Directors, of which at least three are independent in accordance with the criteria of article 526ter of the Belgian Companies Code (BCC). The actual number of Directors may vary, depending on the Company's needs.

3.2.2. Admission requirements

The Board of Directors applies the following policy guidelines when proposing a new Director to the General Meeting:

- ensuring a majority of non-executive Directors;
- every Director is proposed on the basis of his or her specific know-how and experience, so that the Board of Directors as a whole has the necessary skills and qualifications to fulfill its duties.
- verifying that every Director is able to commit sufficient availability to accomplish his or her duties;
- the Board of Directors is composed of Directors of different nationalities; an important and fair representation of the Directors reflects the interest of the business and markets of the Company.
- The capabilities, knowledge, experience and a competency profile of a director are determined before every appointment of new directors. It is the goal of the Board of Directors to achieve the largest possible diversity and complementarity between the board members.

The Board of Directors reserves the right to deviate from the aforementioned conditions, if the proposed Director has particular added value to the Company.

The Chairman should ensure that, before considering the candidate, the Board of Directors has received sufficient information such as the candidate's curriculum vitae, an assessment of the candidate based on the candidate's initial interview, a list of the positions currently held by the candidate, and, if applicable, the necessary information about the candidate's independence.

3.2.3. Appointments

The Nomination and Remuneration Committee evaluates whether the admission requirements are complied with before making a proposal to appoint a Director to the Board. The Chairman reports to the Nomination and Remuneration Committee on the progress made in order to allow the Nomination and Remuneration Committee to make a reasoned recommendation to the Board.

The Board of Directors submits its proposals for appointment and reappointment of Directors to the General Meeting based on the advice of the Nomination and Remuneration Committee. Proposals from the Board of Directors or from the shareholders for appointment or reappointment are notified 30 days before the General Meeting, together with the other items on the agenda (or pursuant to article 533ter BCC).

The General Meeting discusses and decides on the appointment or reappointment of Directors by a majority of the votes cast. The General Meeting may dismiss Directors before the end of their mandate by a majority of the votes cast.

The Board of Directors follows the appointment and reappointment process as part of a global supervisory plan, so that an adapted level of skills, experience and expertise is maintained in the Company and the Board of Directors.

3.2.4. Introduction

Every new director gets an appropriate, comprehensive and formal introduction which provides insight in Melexis. This includes insights in its management, strategy, values, policy guidelines, activities, business challenges, finance, risk management and internal control systems. Also the tasks, competences and functioning of the Board of Directors itself and the committees will be explained. The introduction will include visiting sites and meeting senior management. The directors are expected to keep up their skills and knowledge of Melexis on a permanent basis.

3.2.5. Term of appointment

The General Meeting appoints the Directors. The duration of their mandate may not exceed four years.

According to article 526ter, 2° of the Belgian Companies Code independent Directors may only serve as a non-executive Director for maximum three mandates in order to preserve their independence. For other Directors there is no limit on their number of mandates.

In the event that a Director leaves before the end of his or her mandate, Belgian legislation provides the possibility for the remaining Directors to appoint a new Director. Confirmation of this appointment shall be subject to a decision by the next General Meeting.

3.2.6. Remuneration

The Director's mandate is remunerated unless the General Meeting decides otherwise.

The General Meeting may grant remuneration to the non-executive Directors in accordance with the remuneration policy for Directors.

The mandate of executive Directors is not remunerated as such. Executive Directors may receive a remuneration dependent on their executive roles and responsibilities within the Company.

3.2.7. Evaluation

The effectiveness of the Board of Directors and its committees is monitored and reviewed every three years in order to achieve possible improvements in the management of Melexis.

In the evaluation special attention is paid to:

- The functioning of the Board of Directors and its relevant committees;
- The thoroughness with which important issues are prepared and discussed;
- The effectiveness of the interaction with executive management.

The non-executive directors will also make an evaluation of their interaction with the Executive Management, whereby they meet in the absence of the executive directors.

The Chairman remains available at all times to consider suggestions for improvement of the functioning of the Board or the Board Committees.

3.3. Chairmanship of the Board of Directors

The Board of Directors elects a Chairman amongst its members (the **Chairman**). The Chairman is appointed on the basis of his knowledge, skills, experience and mediation strength.

The position of Chairman cannot be combined with the position of CEO.

The Chairman is responsible for the leadership of the Board of Directors. He 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 board's decisions.

The Chairman has a particular role in the corporate governance of the Company. This role is, among others,

- to supervise the composition of the Board of Directors. The Chairman takes the initiative where necessary and conducts/leads the processes, assisted by the Nomination and Remuneration Committee, aimed at:
 - formulating the requirements in terms of independence, competence and qualifications of Directors;
 - the appointment or reappointment of Directors and the members of the board committees.
 - the evaluation of the efficiency of the functioning of the Board of Directors as a whole;
 - the appointment or dismissal, evaluation and remuneration of the CEO.
- to ensure the efficient and effective functioning of the Board of Directors by:
 - ensuring a clear and common concept of and respect for the respective roles and responsibilities of each corporate body;
 - planning the meetings of the Board of Directors. The Chairman schedules the meetings of the Board of Directors and the board committees, after consultation with the CEO. He prepares the general agenda of the Board of Directors with the subjects that must be discussed during the year as well as the agenda for each meeting;
 - preparing, chairing and leading the meetings of the Board of Directors. Executive Management consults the Chairman on all proposals before they are presented to the Board of Directors;
 - supervising the quality of the continuous interaction and dialogue at Board level;
 - supervising the timely and qualitative provision of information to the Directors in preparation of Board meetings;
 - ensuring that new Directors receive an appropriate induction so that they are appropriately familiarised with the Company, to ensure their swift contribution to the Board of Directors;
- to chair the General Meetings and to ensure the efficiency of those meetings; and
- to represent and support the interests of the Company, at the request of the CEO, by maintaining contacts with external institutions and by participating in external forums.

3.4. Structure and organisation

3.4.1. Board committees

In accordance with articles 526bis BCC and 526quater BCC, the Board of Directors has set up a Nomination and Remuneration Committee and an Audit Committee. The existence of these board committees does not prevent the Board of Directors from setting up additional ad hoc committees, if considered necessary, to deal with specific issues.

3.4.2. Company Secretary

The Board of Directors appoints a Company Secretary, who assists and advises the Board of Directors, the Chairman, the committee chairmen and all Directors in the execution of their general and specific duties and responsibilities.

The core duties of the Company Secretary are (i) providing advice in relation to compliance by the corporate bodies with company law, the articles of association and the internal terms of reference and procedures, including this Corporate Governance Charter, (ii) providing assistance in organising the General Meetings (iii) where requested, acting as the Secretary of the Board of Directors and its board committees.

3.4.3. Meetings of the Board of Directors

The Board of Directors is convened at least four times per year by the Chairman, and whenever the interests of the Company so require.

Directors are expected to attend the meetings regularly and in person and to spend sufficient time to allow them to fulfill their duties. Should they be unable to attend in person, the Directors may participate by means of telephone conference or other means of communication.

The Board of Directors may only validly deliberate if at least half of the Directors are present or represented. A Director may be represented by another Director by means of a signed proxy, sent by fax or post.

The decisions of the Board of Directors are taken by majority of the votes cast. Blank or invalid votes are considered not having been cast. In case of tied votes, the Chairman has the deciding vote.

In exceptional cases, i.e. when urgent need and the interests of the Company so demand, decisions of the Board of Directors may be taken, pursuant to Article 17 of the Articles of Association, by unanimous written resolution of the Directors and, consequently, without a physical meeting being held. However, this procedure cannot be implemented for establishing the annual accounts, the allocation of the subscribed capital or any other subject excluded by the articles of association.

The deliberations of the Board of Directors are recorded in the minutes, which are signed by those Directors present. The proxies are attached to the minutes.

3.5. Code of conduct

3.5.1. Application of a General Code of Conduct

Each Director shall abide by the principles of integrity and ethically responsible conduct also applicable to the Executive Management and other members of staff. These principles are described in the Melexis Ethical Code of Conduct.

3.5.2. Independent Directors

Independent Directors are not permitted to enter into agreements with the Company either directly or indirectly intended for the delivery of paid services (e.g. accounting, consultancy, legal advice, ...), except with written consent from the Board of Directors and only for one-off transactions that are not such as to threaten the independence of the Director, as defined in article 526ter BCC.

Independent Directors are requested to consult the Chairman, who will subsequently decide whether a request for exemption will or will not be submitted to the Board of Directors. The remuneration awarded and the reason for the exemption shall be published in the annual report. Any transactions between Directors and the Company, including its subsidiaries, must be at arm's length.

3.5.3. Interaction with the Executive Management

The Directors are encouraged to approach the Executive Management at their own initiative whenever a need arises.

3.5.4. Interaction with investors, media and others

Directors may, at the request of or after consultation with the Chairman, or at the request of the CEO, participate in communication activities. In particular, the Directors are expected to support the opinion of the Board of Directors regarding the strategy, management and activities in the public and private sphere.

Directors shall refrain from making individual contact with investors, media and others, without getting a consensus with the CEO in advance.

3.5.5. Duty of confidentiality

In order to allow open discussions at the meetings of both the Board of Directors and the board committees, the Directors will keep the information and deliberations confidential.

4. Board Committees – terms of reference

4.1. General terms applicable to all board committees

4.1.1. Roles and responsibilities

The board committees have an advisory function with regard to the Board of Directors. They assist the Board of Directors and make recommendations, based on their knowledge and expertise. Only the Board of Directors has the final decision-making power.

The role and responsibilities of the board committees are stipulated by the Board of Directors and defined in the terms of reference, contained in this Corporate Governance Charter. The terms of reference are reviewed every three years, either by the board committees themselves or at the initiative of the Board of Directors. The recommendations for changes are submitted to the Board of Directors, whenever necessary.

Each board committee has the power and duty to use effective, necessary and proportional means to fulfil its mission (including the power to call upon external advisors), and is responsible for the correct exercise of these responsibilities and duties to the Board of Directors.

The board committees report their activities, conclusions and recommendations to the Board of Directors after each meeting.

4.1.2. Composition

The Board of Directors appoints the chairmen and members of the board committees. As a rule, the composition of every board committee may be reviewed on an annual basis. The composition may also be reviewed if a board committee member has reached the end of his/her mandate as Director, even if his/her reappointment as a Director is proposed to the General Meeting.

The appointment of the members of board committees is based on (i) their specific competence and experience, and (ii) the condition that every board committee as a whole has the necessary competence and experience to perform its tasks.

4.1.3. Chairmanship

The role of the chairman of a board committee includes, with the support of the Chairman and if necessary the CEO, ensuring that the board committee (i) understands its roles and responsibilities, (ii) has all information and internal or external support to execute its tasks adequately, and (iii) fulfills all its responsibilities in accordance with these general terms of the board committee.

4.2. Terms of reference of the Nomination and Remuneration Committee

4.2.1. Composition

The Nomination and Remuneration Committee is composed according to article 526quater BCC of three non-executive Directors, two of which are independent directors. The Chairman of the Board of Directors chairs the Nomination and Remuneration Committee. The members are appointed by the Board of Directors after due consultation. The CEO attends the meetings of the Nomination and Remuneration Committee in an advisory role, whenever the remuneration of the members of the Executive Management, except the CEO, is discussed.

4.2.2. Meetings

The Nomination and Remuneration Committee meets at least twice a year. Other meetings, if required, are convened by the Chairman. Any member of the Nomination and Remuneration Committee or the CEO can request the Chairman to convene a meeting of the Nomination and Remuneration Committee.

4.2.3. Role and responsibilities

The role and responsibilities of the Nomination and Remuneration Committee are threefold:

- With respect to **nominations**,
 - at regular intervals, the Nomination and Remuneration Committee supervises the principles and requirements (independence requirements, competence and qualifications) that regulate the selection and appointment of Directors and makes its recommendations to the Board of Directors when this seems necessary or useful;
 - the Nomination and Remuneration Committee makes recommendations to the Board of Directors concerning the appointment or reappointment of Directors and concerning the appointment or dismissal of the CEO; for the appointment or the dismissal of the CEO the recommendation of the Nomination and Remuneration Committee is based on a proposal from the Chairman;
 - the procedure concerning the reappointment and succession of the Chairman is carried out by the Nomination and Remuneration Committee according to a procedure stipulated by the Nomination and Remuneration Committee after consultation of the Chairman;

With respect to **performance evaluation**,

- each year, the Nomination and Remuneration Committee discusses and stipulates the targets for the CEO.
- The CEO informs the Committee of the targets for members of the Executive Management.
- These targets are subsequently used as benchmarks for their performance evaluations;

- the Nomination and Remuneration Committee also evaluates the performance of the Directorship and the Executive Management;

With respect to the **remuneration**,

- The Nomination and Remuneration Committee serves as a remuneration committee as defined in article 526quater BCC;
- The Nomination and Remuneration Committee advises the Board of Directors concerning the way in which the achievement of the Company's strategic objectives may be promoted by adopting an appropriate remuneration programme. It will supervise the development of the remuneration, allocation of variable pay, awarding of shares and additional benefits for the Executive Management;
- the Nomination and Remuneration Committee prepares the remuneration report and presents the remuneration report to the General Meeting;
- the Nomination and Remuneration Committee supervises the processes that regulate the appointment and remuneration of Directors and Executive Management;
- the Nomination and Remuneration Committee regularly reviews the remuneration policy for non-executive Directors on the one hand and for the CEO and other members of the Executive Management on the other hand;
- the Nomination and Remuneration Committee advises the Board of Directors with regard to the individual remuneration of the Directors and the Executive Management;
- the Nomination and Remuneration Committee investigates the most important characteristics of the shares programmes (if any) for the Executive Management and other staff proposed by the CEO and makes recommendations to the Board of Directors.

4.3. Terms of reference of the Audit Committee

4.3.1. Composition

The Audit Committee is composed according to article 526bis BCC of three non-executive Directors, two of which are independent. The chairman and the members are appointed by the Board of Directors upon the recommendation of the Chairman, after consultation with the Nomination and Remuneration Committee.

4.3.2. Meetings

The Audit Committee convenes at least two meetings a year. If required, other meetings are convened at the request of the Audit Committee chairman. Any member of the Audit Committee, the CEO or the auditor can request the Chairman to convene a meeting of the Audit Committee.

The Audit Committee decides whether, and if so when, the CEO, the chief financial officer and the auditor should attend its meetings. The Audit Committee is entitled to meet with any relevant person without any Executive Manager being present.

The Audit Committee reports regularly to the Board of Directors on the exercise of its duties, and at least when the Board of Directors sets up the annual accounts, the consolidated accounts, and where applicable the condensed financial statements intended for publication.

4.3.3. Role and responsibilities

The Audit Committee assists the Board of Directors in its supervisory tasks with respect to the internal control within the Company in the broadest sense, including the internal control of the financial reports. The Audit Committee acts as the principal point of contact for the external auditors.

The Audit Committee must:

- monitor the financial reporting process;
- monitor the effectiveness of the company's internal control and risk management systems;
- monitor the company's internal audit system and related activities;
- monitor the statutory audit of the annual and consolidated accounts; and
- review and monitor the independence of the statutory auditor, particularly the provision of additional services by the statutory auditor to the audited entity.

More in particular, the Audit Committee:

- reviews the integrity of the periodic financial information with respect to the relevance and the consistent nature of the accounting standards applied by the Company and the Melexis Group, including the criteria for the consolidation of the accounts of the companies in the Melexis Group;
- reviews the financial reporting process. The Audit Committee supervises the function of the Auditor, approves the audit plan, evaluates its achievements formally at least once a year on the basis of fixed criteria and makes recommendations to the Board of Directors about his appointment or reappointment, the renewal of his mandate and his remuneration. The Audit Committee also supervises whether the policy stipulated by the Board of Directors with respect to the independence of the auditor is complied with, including the correct implementation of the procedure for prior approval of non-audit services;
- reviews the functioning and the effectiveness of the internal control and risk management system as a whole and, in particular, of the risk management system and its processes that govern the compliance with laws, terms of reference and the General Code of Conduct.

5. Executive Management – Terms of reference

5.1. Executive Management structure

The daily management of the Company has been delegated by the Board of Directors to the Chief Executive Officer (CEO), who has the power to represent the Company by his or her sole signature. For actions outside the scope of the daily management, the Company is validly represented by two directors acting jointly.

The Company did not opt for the establishment of a Management Committee as defined in article 524bis BCC.

The Executive Management has the operational responsibility for leading the Company in accordance with the global strategy, values, planning and budgets approved by the Board of Directors. The Executive Management is also responsible for screening the various risks and opportunities the Company might encounter in the short, medium or longer term, as well as for ensuring that systems are in place to address these risks and opportunities.

The Executive Management is accountable to the CEO, The CEO has the final responsibility towards the Board of Directors for the execution of the tasks and responsibilities entrusted to him/her.

The Executive Management is composed of:

- the CEO
- the CFO
- the Business Unit Managers
- the Global Functional Managers

The CEO is the chairman of the Executive Management. The composition of the Executive Management can be consulted in the latest annual report at the website

<http://www.melexis.com/InvestorRelations-Reports.aspx>.

5.2. Members of Executive Management and Chief Executive Officer (CEO)

5.2.1. Responsibilities

The members of the Executive Management (Executive Managers):

- are entrusted with the daily operations of the Company;
- implement and monitor the strategy developed by the Board of Directors;
- develop, implement and monitor short and long term forecasts;
- put internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other metrics) without prejudice to the board's monitoring role, based on the framework approved by the Board of Directors;
- present to the Board of Directors a complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with the applicable accounting standards and policies of the Company;
- prepare the Company's required disclosure of the financial statements and other material financial and non-financial information;
- present the Board of Directors with a balanced and understandable assessment of the Company's financial situation;
- provide the Board of Directors in due time with all information necessary for the Board of Directors to carry out its duties;
- are responsible and accountable to the Board of Directors for the discharge of its responsibilities;

The responsibilities of the CEO are:

- acting as topmanager, by:
 - communicating and carrying out the Company's values clearly and inspiring the actual conduct of the staff by setting 'the tone at the top';
 - investigating, defining and presenting strategic options and proposals that may contribute to the development of the Company to the Board of Directors and executing the decisions of the Board of Directors;
 - acting as the most important spokesperson for the Company towards the public;
- enabling the Board of Directors and the Chairman to carry out their responsibilities, by:
 - maintaining constant interaction and dialogue and a climate of respect, trust and openness with the Board of Directors; The CEO functions as the prime interface between the Board of Directors and the Executive Management;
 - presenting proposals to the Board of Directors or the board committees concerning subjects about which decision-making is reserved to the Board of Directors;
 - bearing final responsibility for such proposals;
 - providing the Board of Directors with all information relevant for the execution of its powers and obligations and regularly informing the Board of Directors of the most important initiatives in the development and decisions taken by the CEO in the execution of his/her responsibilities;
 - regularly meeting with the Chairman, involving him/her in strategic initiatives from the start, consulting him/her about all relevant business and in particular discussing the issues on the agenda of the meetings of the Board of Directors;
 - preparing a one-year and three-year strategic plan every year;
 - reporting on the execution of these plans and making recommendations to amend the plans, if necessary, to the Board to allow the Board of Directors to take appropriate measures.
- exercising other powers and tasks that the Board of Directors entrusts to the CEO in specific cases.

Following decisions of the Executive Management require approval by the Board of Directors:

- Entering into loans of more than 10 million EUR
- Awarding a loan to an affiliated company or third party in which the Company does not have a majority interest
- Awarding a surety for more than 2 million EUR
- Awarding mortgages, collateral or other claims on property
- Purchasing or leasing real estate
- Leasing investment property
- Any transfer or contribution of an activity with a revenue of more than 2 million EUR
- Ceasing an activity with a revenue of more than 2 million EUR

- Acquisition or sale of shares or assets of another legal entity with a value of more than 1 million EUR
- Incorporation, merger or demerger of legal entities, as well as establishing branches of a legal entity
- The employment of staff with a gross annual wage of more than 200,000 EUR.

5.2.2. Meetings of the Executive Management

The Executive Management meets regularly in accordance with a calendar prepared each year by the CEO. Additional meetings may be called by the CEO.

The meetings of the Executive Management are held, either physically at the location mentioned in the convening notice, or at distance by means of teleconference or videoconference using telecommunication techniques that allow the members to hear each other simultaneously and to discuss with each other.

The decisions of the Executive Management are taken with an absolute majority (half plus one) of the votes cast and the abstentions and blank votes are not taken into consideration. In case of equal votes, the vote of the CEO is decisive. Each member shall loyally execute the resolutions validly passed by the Executive management.

Minutes are taken at every meeting, timely posted and shared via the internal website only accessible by the Executive Managers.

The key decisions that are taken by the Executive Management are reported to the Board of Directors together with the proposals from the Executive Management for decisions to be taken by the Board.

All members of the Executive Management are bound by a duty of discretion and observe confidentiality with respect to proceedings, resolutions and documentation of the Executive Management.

5.2.3. Appointment and term in office

The Board of Directors appoints the CEO upon recommendation from the Nomination and Remuneration Committee.

In principle, the appointment of a CEO is for an indefinite term.

Every Executive Manager is appointed by a simple majority resolution of the Board of Directors, acting on the recommendation of the Nomination and Remuneration Committee. Each Executive Manager can be removed from office by a simple majority resolution of the Board of Directors. The Board of Directors supervises that the various business and functional units of the Group are properly represented within the Executive Management.

5.2.4. Remuneration and performance evaluation

Taking the recommendations of the Nomination and Remuneration Committee into account, the Board of Directors stipulates the remuneration of the CEO. The Chairman submits proposals to the Nomination and Remuneration Committee, established in compliance with the remuneration policy for Directors and Executive Management.

Every year the Nomination and Remuneration Committee determines the objectives the CEO must reach in the coming year and evaluates his/her activities in the preceding year on the basis of proposals from the

Chairman. The Executive Management regularly reviews and assesses its own performance, The evaluation is also discussed at the Nomination and Remuneration Committee and presented to the Board.

6. Remuneration

The remuneration policy for the Directors and the Executive Management is analyzed on an annual basis by the Nomination and Remuneration Committee in close cooperation with the HR department.

The global remuneration policy is attached in [Annex 1](#) to this Charter.

7. Specific guidelines

7.1. Measures taken in order to comply with the rules on market abuse

The Melexis insider trading policy is attached in Annex 2 to this Charter.

7.2. Transactions and other contractual relationships between the Company, its Directors and the Executive Management

All Directors and Executive Managers are expected to avoid any acts, opinions or interests in conflict with or that may create the impression of being in conflict with, the interests of the Melexis Group. When confronted with a possible conflict of interests, Directors and Executive Managers must inform the respective Chairman of the Board of Directors or the Executive Management thereof as soon as possible. Directors must abstain from any discussion or decision of the Board of Directors, in accordance with the applicable company law provisions, that involves their personal, business or professional interests. Abstentions due to a conflict of interests are made public in accordance with the relevant provisions of the applicable legislation.

Directors and Executive Managers should not directly nor indirectly compete or cause third parties to compete with the Melexis Group. Neither should they take personal advantage of any opportunity open or offered to Melexis without informing respectively the Board of Directors or the Executive Management. Any transactions and/or business relationships between members of the Board of Directors or the Executive Management and one or more companies of the Melexis Group should take place at normal market conditions,

Non-executive Directors are permitted to be a member of the board of directors of other companies and to enter into other undertakings or obligations, provided that these obligations (i) are unrelated to the Company and (ii) do not refrain a Director from fulfilling his or her duties. Independent Directors must meet the independence criteria as stipulated in article 526ter BCC at all times for the duration of their mandate.

Executive Directors are permitted to accept an appointment as a director in listed companies other than related companies, after consultation with the Board of Directors.

Members of the Executive Management shall exclusively invest in the exercise of their daily professional activities within the Company and the Melexis Group. Each directorship in other companies of the Melexis Group should first be approved by the Board. Directorships or other functions in any organization that does not belong to the Melexis Group, should first be approved by the Chairman.

Annex 1 : Remuneration policy

Annex 2 : Insider Trading policy