



# UCB Group

## Dealing Code

### I. INTRODUCTION

Insider Dealing may be defined as using material non-public information concerning a listed company, its customers or suppliers in buying or selling shares or other securities. Insider Dealing is illegal in most countries, including Belgium. It may be illegal to communicate to anyone such information that comes to one's attention in the course of his/her employment other than strictly required in the course of business.

This Code (as defined hereinafter) presents the key duties under the Belgian Insider Dealing laws (as defined hereinafter). Its purpose is to inform all constituents within the UCB Group (as defined hereinafter) of their duties and to establish safeguards for dealings by Directors, Persons Discharging Managerial Responsibilities, (Key) Employees and Insiders (all as defined hereinafter).

Everyone is personally responsible to ensure that his/her conduct complies at all times with Belgian Insider Dealing laws, and should seek his/her own legal advice where appropriate. Regardless of these guidelines, UCB continues to expect each of its Directors, Persons Discharging Managerial Responsibilities and (Key) Employees (as defined hereinafter) to conduct themselves in a fully compliant manner consistent with the Belgian law and this Code.

### II. DEFINITIONS

*Affiliate(s):*

all UCB Group companies.

*Code:*

this document, including its annexes (if any).

*Company Security:*

any share issued by UCB, and derivative or other Financial Instrument linked thereto (whether or not issued by UCB) (e.g., warrants, options, convertible bonds, certificates)).

*Deal/Dealing*

any acquisition or disposal of, or agreement to acquire or dispose of, any Financial Instruments; entering into a contract for value differences or any other contract of which the intention is to secure a profit or avoid a loss with respect to the price fluctuations of Financial Instruments; and the allocation, acceptance, acquisition, disposal, exercise or elimination of an option (for purchase (call option) or sale (put option) or both), of a warrant or any other right or obligation, now or in the future, conditionally or unconditionally, to acquire or dispose of Financial Instruments, or a stake therein.

*Director:*

any member of the board of directors of UCB.

*Employee(s):*

any person working for UCB or any of its Affiliates, under a contract of employment or otherwise.

*Financial Instrument:*

any financial instrument such as shares, options, SWAPs, futures or any instruments having any of the former as underlying value.

*Insider(s):*

any person in possession of Privileged Information about UCB or any of its Affiliates in general or about a specific project of or an event concerning UCB or any of its Affiliates, the disclosure of which UCB has decided to defer.

*Insider Dealing*

the actions described below, under IV.a.

*Insider Dealing Decree:*

the royal decree of 5 March 2006 on market abuse.

*Insider Dealing Law:*

the law of 2 August 2002 on the supervision of the financial sector and financial services.

*Key Employee(s):*

any person working for UCB, under a contract of employment or otherwise, who has regular or incidental access to Privileged Information relating directly or indirectly to UCB.

*Market Manipulation*

the actions described below, under III.b.

*Person who is closely associated with a Person Discharging Managerial Responsibilities:*

(i) the spouse, or any partner of that person considered by national law as equivalent to the spouse of a Person Discharging Managerial Responsibilities, (ii) the children for whom a Person Discharging Managerial Responsibilities is legally responsible, (iii) other relatives of a Person Discharging Managerial Responsibilities who have shared the same household as that person for at least one year on the date of the Deal concerned, and/or (iv) any legal person, trust or partnership, whose managerial responsibility are discharged by a person referred to a Person Discharging Managerial Responsibilities, or with the above-mentioned persons who are associated with such a person, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.

*Person(s) Discharging Managerial Responsibilities:*

any person who is (i) a member of the administrative, management or supervisory bodies of UCB, or (ii) a senior executive, who is not a member of the abovementioned bodies, having regular access to Privileged Information relating, directly or indirectly, to UCB, and the power to make managerial decisions affecting the future developments and business prospects of UCB; Persons Discharging Managerial Responsibilities will be included in the list(s) of Key Employees and/or Insiders (see below, under V.b). In the case of UCB, Persons Discharging Managerial Responsibilities are all UCB Directors and all members of UCB's Executive Committee.

*Privileged Information:*

information as defined below, under III.

*Short selling of Company Securities:*

any sale of one or more Company Securities which the seller does not own at the time of entering into the agreement to sell, including such a sale where at the time of entering into the agreement to sell the seller has borrowed or agreed to borrow the Company Securities for delivery at settlement.

*UCB:*

UCB S.A./N.V., a public limited liability company under Belgian law, with registered office at Allée de la Recherche 60, 1070 Brussels (Belgium), company number: 0403.053.608 (RPM Brussels).

*UCB Group:*

UCB and its Affiliates.

*Working Day:*

any day that is not a Saturday, Sunday or a legal holiday in Belgium.

### **III. DEFINITION OF PRIVILEGED INFORMATION**

Privileged Information, is any information (i) of a precise nature (see below, under III.a), (ii) which has not been made public (see below, under III.c), (iii) relating directly or indirectly to one or more issuers of Financial Instruments or to one or more Financial Instruments, and (iv) which is material (i.e. if it were made public, would be likely to have a significant effect on the prices of the Financial Instruments or on the price of related derivative Financial Instruments) (see below, under III.b).

### **a. Precise information**

Information shall be deemed to be of a precise nature when it relates to a situation which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so, and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that situation or event on the price of Financial Instruments or related derivative Financial Instruments.

### **b. Material Information**

Information is 'material' (*i.e.*, is likely to have a significant effect on the price of Financial Instruments) if, *e.g.*, it would be expected to affect the investment or voting decisions of any reasonable shareholder or investor, *e.g.*, if the disclosure of the information would be expected to significantly alter the total mix of information in the marketplace.

In simple terms, material information is any type of information which could reasonably be expected to significantly affect the price of Financial Instruments.

While it is not possible to identify all information that would be deemed 'material', the following types of information would normally be considered to be so:

- financial performance, especially quarterly and year-end earnings, and significant changes in financial performance or liquidity;
- potential mergers and acquisitions or disposals of significant assets or subsidiaries;
- major discoveries or information concerning important product developments or related government rulings, significant developments in research or technologies;
- new major contracts, or the loss thereof;
- significant changes or developments in supplies or inventory, including significant product defects, recalls or product returns;
- stock splits, public or private securities/debt offerings, or changes in dividend policies or amounts;
- significant changes in senior management;
- significant labor disputes or negotiations;
- actual or threatened major litigation or the resolution of such litigation;
- material operational information regarding sales, success of new products or developments in pipeline.

### **c. Non-public information**

Information is 'non-public' unless it has been adequately disclosed (by UCB or by a third party) to the public through major newswire services, national news services and financial news services or other methods. Not only must information be widely available, there must also be adequate time (*i.e.*, at least 24h) for the market as a whole to become aware of the information.

## IV. INSIDER DEALING AND MARKET MANUPILATION

This section applies to all Employees.

### a. Insider Dealing

Any person (whether Director, (Key) Employee, Insider or Person Discharging Managerial Responsibilities) who possesses information, and knows or ought to know that it involves Privileged Information concerning UCB, may not:

- acquire or dispose of, or attempt to acquire or dispose of, either for his/her own account or for the account of a third party, Company Securities to which such Privileged Information relates;
- communicate such Privileged Information to any other person (including co-workers, family members, analysts, individual investors, and members of the investment community and news media), unless such communication is required as part of that persons normal exercise of his/her employment, profession or duties;

On top of this legal rule, it is UCB policy that such communication must be authorized by the Insider Trading Compliance Officer. All inquiries (including the full name of the person to, date and hour when, and reason why such information would be disclosed) regarding Privileged Information concerning UCB must be forwarded to the Insider Trading Compliance Officer and the Head of Corporate Communication.

- on the basis of such Privileged Information, advise any other person to acquire or dispose of the Company Securities to which such Privileged Information relates or that they should cause a third party to do so (so called 'tipping'). They may however, advise others not to acquire or dispose of such Company Securities if doing so could violate the law or this policy.

On top of this legal rule, UCB strongly discourages all Directors, Persons Discharging Managerial Responsibilities, Key Employees and Insiders from giving Dealing advice on Company Securities to third parties even when they do not possess Privileged Information concerning UCB or any of its Affiliates.

In addition it is prohibited for any person to (i) take part in any arrangement that leads to one of the abovementioned actions and (ii) encourage one or more persons to engage in one of the abovementioned actions.

### b. Market Manipulation

It is prohibited for any person (whether Director, (Key) Employee, Insider or Person Discharging Managerial Responsibilities) to:

- enter into transactions or place orders (i) which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of one or more Company Securities or (ii) which secure, through one or more persons acting in collaboration, the price of one or more Company Securities at an abnormal or artificial level; unless the person who entered into the transactions or issued the orders to trade can reasonably demonstrate that his/her reasons for so doing are legitimate and that these transactions or orders conform to accepted market practices on the market concerned;
- enter into transactions or place orders to trade which employ fictitious devices or any other form of deception or contrivance;
- disseminate information or rumors through the media, including the Internet, or by any other means, which give, or are likely to give, incorrect or misleading signals concerning Company Securities, where the person who disseminated the information knew, or ought to have known, that the information was incorrect or misleading;
- engage in other actions that hinder or disturb or could hinder or disturb the good functioning, the integrity and transparency of the market;

In addition, it is prohibited for any person to (i) take part in any arrangement that leads to one of the abovementioned actions and (ii) encourage one or more persons to engage in one of the abovementioned actions.

#### **c. Short selling and short-term Dealing**

Notwithstanding the general rules on Insider Dealing and Market Manipulation as set out above (see III.a and III.b), no Director, Person Discharging Managerial Responsibilities, (Key) Employee or Insider may Deal in Company Securities on considerations of a short-term nature. Any purchase or sale of one or more Company Securities within a period of six months after having sold or purchased one or more Company Securities will be considered a Deal on considerations of a short-term nature.

Notwithstanding the general rules on Insider Dealing and Market Manipulation as set out above (see III.a and III.b), no Director, Person Discharging Managerial Responsibilities, (Key) Employee or Insider may engage itself in (i) Short selling of Company Securities or (ii) Dealing in options on Company Securities.

#### **d. Stock Options and Discretionary Portfolio Management**

The rules set out in this Code apply to all sales of securities acquired through the exercise of stock options granted by UCB, without prejudice to stricter rules set forth in the General Conditions applying to the stock options issued by UCB.

The rules set out in this Code will be superseded by any stricter prohibitions or restrictions prescribed by applicable laws and regulations.

Financial Instruments acquired or disposed of on behalf of a Director, Person Discharging Managerial Responsibilities, (Key) Employees or Insider in execution of a discretionary portfolio management agreement with a credit institution or a registered financial operator are deemed not to be acquired or disposed of on their behalf.

#### **e. General**

The above-mentioned prohibitions not only apply to Company Securities, but also have a general field of application.

E.g., no one who possesses information, and knows or ought to know that it involves Privileged Information may (i) (attempt to) acquire or dispose of Financial Instruments issued by any other company to which that Privileged Information relates, (ii) communicate such Privileged Information to anyone, or (iii) advise any other person to acquire or dispose of the Financial Instruments to which that Privileged Information relates or that they should cause such an acquisition or disposal by others.

By acknowledging this Code, Directors, Persons Discharging Managerial Responsibilities, (Key) Employees and Insiders are informed of the Insider Dealing and Market Manipulation rules and the sanctions related to an offence.

## **V. DEALING BY DIRECTORS, PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES, KEY EMPLOYEES AND INSIDERS**

### **a. Closed Periods**

#### **i. General rule**

Notwithstanding the general rules on Insider Dealing and Market Manipulation as set out above (see III.a and III.b), Directors, Persons Discharging Managerial Responsibilities, Key Employees and Insiders may not Deal in Company Securities:

- during a period of one and a half months immediately preceding the preliminary announcement of UCBs annual results and extending through (and including) the Working Day after the announcement; or
- during a period of one month immediately preceding the preliminary announcement of UCBs interim half-year results and extending through (and including) the Working Day after the announcement.

Directors, Persons Discharging Managerial Responsibilities, Key Employees and Insiders shall instruct their investment managers or other persons Dealing on their behalf not to deal in Company Securities during the Closed Periods.

Directors, Persons Discharging Managerial Responsibilities, Key Employees and Insiders must use their best efforts to prevent members of their household to Deal during the Closed Periods.

ii. Exception: Hardship Deals.

Notwithstanding the general rules on Insider Dealing and Market Manipulation as set out above (see III.a and III.b), the Insider Trading Compliance Officer and General Counsel, acting jointly, may, on a case-by-case basis, and without need to justify their decision towards the person making the request, authorize Dealing in Company Securities during the Closed Periods, due to financial hardship or other hardships.

The following procedure must be followed:

- the person Dealing has notified the Insider Trading Compliance Officer in writing of the circumstances of the hardship and the amount of Company Securities concerned and the nature of the proposed Deal,
- the person Dealing has certified to the Insider Trading Compliance Officer in writing no earlier than two Working Days prior to the proposed Deal that he/she is not in possession of Privileged Information relating to the Company Securities, and
- the Insider Trading Compliance Officer and General Counsel, acting jointly, have approved the Deal and certified this approval in writing.

#### **b. Lists of Key Employees and Insiders**

The Insider Trading Compliance Officer must draw up a list including all Key Employees.

The Insider Trading Compliance Officer must also draw up a list including all Insiders (*i.e.*, any person in possession of Privileged Information about a specific project of or an event concerning UCB or any of its Affiliates, the disclosure of which UCB has decided to defer).

The list(s) include(s) the following data:

- the identity of each person on the list;
- the reason why such person is on the list and the date on which the person obtained access to Privileged Information;
- the dates on which the list was created and updated.

The list(s) also indicate who is considered a Person Discharging Managerial Responsibilities.

The Insider Trading Compliance Officer must update the list(s) promptly:

- whenever there is a change in the reason why a person is already on the list;
- whenever a person has to be added to the list;
- by stating whether and when a person already on the list no longer has access to Privileged Information.

The Insider Trading Compliance Officer must update the list(s) promptly whenever a person acquires or loses the “Person Discharging Managerial Responsibilities” classification.

The list(s) must be kept for at least five years after its last update, and must be sent to the FSMA upon request.

Each person will be notified when he/she has been put on such list(s) and when the list(s) is closed because the information, although not public, is no longer relevant (e.g., aborted deal).

### **c. Procedures for Deals by Directors, Persons Discharging Managerial Responsibilities and (Key) Employees**

As a Director, Person Discharging Managerial Responsibilities or Key Employee, one is expected to be regularly in the possession of Privileged Information. One must hence be particularly vigilant with respect to one's duties under Belgian Insider Dealing rules.

On top of the general rules on Insider Dealing and Market Manipulation as set out above (see III.a and III.b), this section sets out additional restrictions on the Directors, Persons Discharging Managerial Responsibilities or Key Employee, as required by Insider Dealing laws.<sup>1</sup>

No Director, Person Discharging Managerial Responsibilities or Key Employee may Deal in Company Securities until:

- the person Dealing has notified the Insider Trading Compliance Officer in writing of the amount of Company Securities concerned and the nature of the proposed Deal,
- the person Dealing has certified to the Insider Trading Compliance Officer in writing no earlier than two Working Days prior to the proposed Deal that he/she is not in possession of Privileged Information relating to the Company Securities.
- the Insider Trading Compliance Officer, after consultation with the General Counsel, has given clearance to Deal and has certified his approval in writing.

Clearance to Deal shall be granted within 2 Full Working Days as of receipt of the written request containing all the above information. In case no reply is received within that time, clearance shall be deemed to have been granted. A clearance is valid for twenty Working Days as of the day issued, save if a Closed Period would start, in which case the clearance is automatically withdrawn.

Directors, Persons Discharging Managerial Responsibilities and Key Employees must retain all records and documents that support their reasons for making each proposed Deal in Company Securities for no less than 5 years.

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<sup>1</sup> A list with the names and functions of the Key Employees and Insiders has been established and is kept up-to-date by the Insider Trading Compliance Officer. People who are added to the list will be notified thereof. The full list is communicated internally through the UCB Intranet [add website page].

The Insider Trading Compliance Officer must maintain a written file, consisting of any request for clearance received, and any clearance given or refused.

**d. Reporting Dealing by Persons Discharging Managerial Responsibilities and Persons who are closely associated with a Person Discharging Managerial Responsibilities**

Persons Discharging Managerial Responsibilities, as well as Persons who are closely associated with a Person Discharging Managerial Responsibilities must notify the Insider Trading Compliance Officer of each transaction, on their behalf, in Company Securities in the course of the Working Day that follows the day of the transaction.

The person concerned must also notify the FSMA of each transaction within 5 Working Days following such transaction. If the total amount of the transaction(s) in Company Securities – *i.e.*, the sum of all transactions in Company Securities on behalf of a Person Discharging Managerial Responsibilities and of all Persons closely associated with him/her – is not more than EUR 5,000 per calendar year, such communication may be postponed but must be done before 31 January of the following year. If the EUR 5,000-threshold is crossed, all transactions executed until then must be reported to the FSMA within five working days following the last transaction.

The report to the Insider Trading Compliance Officer and the one to the FSMA must contain the following information:

- the name of the Person Discharging Managerial Responsibilities or, where applicable, the name of the Person closely associated with him/her;
- the reason for the notification requirement;
- the mention of UCB as issuer;
- a description of the Company Security;
- the nature of the transaction (e.g., acquisition or disposal);
- the date and place of the transaction; and
- price and amount of the transaction.

The FSMA publishes these reports on its website.

## VI. POTENTIAL CIVIL, CRIMINAL AND DISCIPLINARY SANCTIONS

### a. Civil and criminal penalties

#### i. Insider Dealing

Violations of the legal prohibitions set out in section IV.a ("*Insider Dealing*"), may lead to both administrative and criminal prosecution and the imposition of significant fines and penalties and, in the case of criminal conviction, possible imprisonment. Again, everyone is personally and individually responsible for compliance with Belgian Insider Trading laws and shall consult personal counsel for legal advice where appropriate. For a person to be found guilty of an administrative offence, for each of the prohibited actions, the person concerned must have known, or should have known, that the information in his possession was Privileged Information.

#### ii. Market Manipulation

Violations of the legal prohibitions set out in section IV.b ("*Market Manipulation*"), may lead to both administrative and criminal prosecution.

Anyone infringing upon such prohibitions may be found guilty of an administrative offence. The FSMA has the power to prosecute the administrative offence, and to that end enjoys wide powers of investigation. It can impose administrative fines upon the offender, which, for the same offence or the same totality of offences, must be not less than EUR 2,500 and not more than EUR 2,500,000. Where the infringement has resulted in the offender obtaining a capital gain, that maximum shall be raised to twice the capital gain and, in the event of recidivism, to three times the capital gain.

The power to prosecute for a criminal offense regarding Market Manipulation is bestowed on the Public Prosecutor (the FSMA has the power, however, to intervene during the criminal proceedings). Each criminal infringement is punishable with imprisonment from one month up to one year and with a criminal fine which varies between EUR 1,650 and EUR 55,000. Furthermore, specific confiscations may be pronounced.

### b. Company discipline

Violation of this Code or the Insider Dealing laws by any Employee, or their family members, may subject the Employee to disciplinary action by the Company up to and including termination for cause.

## **VII. INQUIRIES**

Please direct all inquiries regarding any of the provisions or procedures of this Dealing Code to the Insider Trading Compliance Officer.

UCB has designated the Corporate Secretary and General Counsel as its Insider Trading Compliance Officer.

The duties of the Insider Trading Compliance Officer will include the following:

- drafting and maintaining an insider dealing policy that is in line with the applicable Insider Dealing Law;
- responding to all inquiries relating to this policy and its procedures from financial regulators or Employees;
- maintaining company records originals or copies of all documents required by the provisions of this policy or the procedures set forth herein;
- maintaining the accuracy of the list(s) of Key Employees and Insiders, and updating them periodically as necessary;
- granting clearance to Deal.

The Insider Trading Compliance Officer may designate one or more individuals who may perform the Insider Trading Compliance Officer's duties in the event that the Insider Trading Compliance Officer is unable or unavailable to perform such duties.