



FLORIDIENNE
GROUP

Waterloo Office Park
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O. Ref. 20200723 dvb/THO-0182

July 24th 2020

Request for proposal for external audit services

Dear Sir, Madam,

Floridienne Group has decided to conduct a selection process for evaluating external audit firms for the audit of its consolidated financial statements and for the statutory audits of certain subsidiary companies for the years ending 31 December 2021 until 31 December 2023.

Floridienne is a diversified Belgian industrial group that ranks among the European or world leaders in several market niches or niche markets. The group operates in eight business lines divided among three divisions: Gourmet Food, Life Sciences and Chemicals. Floridienne prefers to hold majority positions in its companies, enabling the group to invest actively in the long term in the implementation of strategies defined for each of its business lines. Floridienne is listed on the Brussels Euronext Stock Exchange, giving it international visibility. As of 31 December 2019, we operated 29 production sites across the world, reported ca. €410 million of revenues and had almost 2,700 employees across our business.

This document sets out the organization of the selection process and provides background information about our Group.

This proposal process has five key steps:

- Additional information gathering on the Group,
- Meetings with Thibaut Hofman, Group CFO, based in our head office in Waterloo, and with Erik Vanderhaegen the CFO of our main subsidiary Biobest in Westerlo,
- Written proposal,
- Oral presentation to the Management,
- Oral presentation to the Audit Committee.

Additional information gathering on the Group

A lot of information is available on our website (www.floridienne.be) and in our annual report.

If you need additional information to prepare your proposal, you can direct your questions to Laurent Wielfaert, Business Controller, your Single Point-of-Contact. He will schedule all meetings and receive all emails or telephone calls.

Laurent Wielfaert
Business Controller
lwi@floridienne.be
+32 2 357 18 36
Drève Richelle 161, bte 4, bât P
1410 Waterloo

Please include Thibaut Hofman, Group CFO, (tho@floridienne.be) in cc of all your email communications.

Meetings with Management

After receiving your confirmation that you intend to participate to this tender process, we will invite each firm to meet with key finance individuals of our headquarters in Waterloo and of our main subsidiary Biobest in Westerlo (Belgium). Those meetings can be organized via videoconference given the current covid19 situation.

The meetings with Management will be held with the following individuals:

- Videoconference or physical meeting in Waterloo (Belgium): Mr. Thibaut Hofman, Chief Financial Officer, and the members of the Group Finance team,
- Videoconference or physical meeting in Westerlo (Belgium): Mr. Erik Vanderhaegen, CFO Biobest, and the members of the Biobest Group Finance team.

Written Proposals

Please submit your proposal before close of business on Friday 23 October 2020. Please deliver three hard copies and an electronic version to Laurent Wielfaert (lwi@floridienne.be).

Your proposal must include each of the following areas:

1. Executive Summary

- A summary of your key tender proposition

2. Firm qualifications

- Capability of your firm to serve clients of our scale and scope
- Industry experience

3. Service team

- Details of the experience of the partners and managers including their business and industry specific expertise
- Overview of the team roles and locations
- Arrangements for ensuring continuity of personnel at all levels
- The approach to managing the transition in auditor

4. Understanding of the business

- Assessment of our needs and issues
- How your firm proposes to meet these needs and what benefits they will bring to us

5. Audit approach

- Description of your audit approach, including an overview of:
 - Scope of the audit, specifically regarding location and topics
 - Features and outputs
 - Timing of the audit activities
 - Coordination of the audit

6. Technical consultation

- Description of the firm's approach to resolving accounting and financial reporting issues

7. Independence/quality

- Views on auditor independence, rotation and the scope of services provided by auditors
- The approach to partner rotation and succession planning

8. Fees

- Competitive fee quote to complete the audit for the years ending 31 December 2021 until 31 December 2023 including the fee quote and the estimated hours per legal entity
- Estimate and general description of the expenses you expect to incur and bill to us; if we will be billed for other than direct out-of-pocket expenses incurred in performance of services, please describe the costs
- Hourly rates to be applied for non-prohibited assurance and advisory work outside of scope of the audit
- The file 'scoping and pricing grid' communicated by us to you should be completed

First round - Oral presentations to management

After submitting the written proposals, you will be invited to participate in oral presentations which will take place beginning of November in Waterloo with the management of the headquarter. The duration of each presentation will be no longer than 2 hours, including follow-up questions and answers.

The management will then select two audit firms for the second round of the process.

Second round - Audit committee selection

After the first round, the two successful participants will be invited to the oral presentations which will take place beginning of December in Waterloo with the Audit Committee. Like the first round, the duration of each presentation will be no longer than 2 hours, including follow-up questions and answers.

Evaluation criteria

Our evaluation criteria include the areas of information solicited above for the written proposal. We will also evaluate the chemistry between our respective teams.

Scope of work

This RFP covers the following external audit services:

- An audit in accordance with International Standards on Auditing of the consolidated financial statements of Floridienne S.A. and its subsidiaries which are prepared in accordance with IFRS;
- The statutory audit of the legal entities included in the separate document 'scoping and pricing grid' (Attachment A). Those subsidiaries that are currently audited by the Group auditor, Mazars, will migrate to the newly appointed Group auditor as from the year ended 31 December 2021 subject to local rules regarding the termination of statutory audit mandates. We invite you to also present a fee quote for the statutory audit of the other subsidiaries of the Group included in the 'scoping and pricing grid'. The migration of the current local statutory auditors to the newly appointed Group auditor will be assessed on an entity by entity basis;
- Report to the Supervisory Authority (FSMA) in application of article 34 §1er, 1° C) of the Law of 2 August 2002;
- Observations/attention points on the half-year interim financial statements;
- Observations/attention points on the annual press release;
- An examination of the annual economic and financial information submitted to the Workers' Council of Biobest;
- An authentication of the consolidated balance sheet and income statement of Biobest Group that serve for the purpose of Floridienne consolidated accounts;
- Comments and recommendations relating to the internal control process and other processes in order to improve efficiency ('management letter').
- Procedures to verify whether the Directors' Report includes the information required by the Companies' Code and is consistent with the consolidated financial statements;
- All other legal requirements to which the auditor is submitted.

Timing of the audit activities

The audit report of the consolidated financial statements of Floridienne S.A. has to be issued no later than 30 April each year. The audit reports of the statutory financial statements of all entities of the Group should be issued in accordance with local legal requirements.

The timing of audit activities is typically as follows:

- Review of the interim financial statement (no report issued): end August
- Interim audit: November,
- Year end audit: starting mid-February,
- Audit of the consolidation: March

Timetable

- RFP launch: 24 July 2020
- Additional information gathering: via email to Laurent Wielfaert and myself
- Meetings with Group Management: 24 – 25 August 2020
- Meetings with Biobest Management: 9 – 10 September 2020
- Written offer due: 23 October 2020
- 1st round - Oral presentation to the management (Waterloo): 29 – 30 October
- 2nd round – Oral presentation to the Audit Committee (Waterloo): 26 - 27 November

- Final decision due: end-December
- Approval by the General Assembly: 1 June 2021

These dates are not binding.

Pricing and other contractual agreements

Yearly fee for external audit services per legal entity expressed in local currency of the country.

Required Contractual elements of the Floridienne Group:

- Billing for services rendered in arrears of work performed,
- Group wide payment terms of 60 days from invoice date,
- Indexation to be agreed on a yearly basis,
- Local billing.

Floridienne Group will not bear any cost of any preparation RFP process and/or transitioning process.

Confidentiality

By accepting to take part in this proposal process, you agree to keep in confidence all information imparted to you by us during the process, not to disclose it to third parties, and not to use it for any other purpose than for participation in the proposal process.

Should you wish to participate in this proposal process, the following information will be communicated in due course:

- Attachment A - Pricing and scoping grid,
- Legal Group structure,
- Detailed scoping information.

Please notify Laurent Wielfaert via email of your intention to participate in this proposal process no later than 7 August 2020.

Yours sincerely,



Thibaut Hofman
Group Chief Financial Officer