

SIATNV

CORPORATE GOVERNANCE FRAMEWORK FOR THE SIAT GROUP OF COMPANIES

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This document is intended to provide a structure and comprehensive framework for Corporate Governance to Siat's companies. It is based on the Lippens II – 2009 Belgian Code of Corporate Governance. The original code is available on www.corporategovernancecommittee.be

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WHAT IS CORPORATE GOVERNANCE (CG)?

Corporate governance is a set of rules and behaviors which determine how companies are managed and controlled. It defines the relationships between a corporate body's management, its board, shareholders and other stakeholders. A good corporate governance model will achieve its goal by setting a proper balance between leadership, entrepreneurship and performance on the one hand, and control as well as conformity with this set of rules on the other hand. Good governance must be embedded in a company's values. It provides mechanisms to ensure leadership, integrity and transparency in the decision-making process.

Good corporate governance should help determine a company's objectives, the means through which these objectives are achieved and how performance is to be evaluated. These objectives should be in the interest of the company, its shareholders and other stakeholders.

Corporate governance also requires control, i.e. effective evaluation of performance, careful management of potential risks, and proper supervision of conformity through agreed procedures and processes. The emphasis lies on monitoring the effective operation of control systems, managing potential conflicts of interest and implementing sufficient checks to prevent any abuse of power.

MAIN OBJECTIVES OF THE CG (the 'Code')

Corporate Governance offers a framework for accountability, checks and balances for the attainment of the company's vision and objectives. Corporate governance guidelines ensure that the expectations of shareholders and other stakeholders are achieved through the proper and efficient stewardship of Board of Directors, the Management Team and employees of the company.

STRUCTURE AND CONTENT OF THE CODE

Considering the company's shareholding structure, activities, sizes, exposure to risks and its management structure in relation to the group, the company has opted for Corporate Governance guidelines based on a "comply or explain" system.

Besides, this principle, favored by the OECD, is recognized by Directive 2006/46/EC, which states that listed companies shall publish a corporate governance statement. The flexibility provided by this principle has been preferred to a strict and rigid application of a detailed set of rules because it allows for account to be taken of company's specificities.

The Code contains principles, provisions and guidelines. The Code is structured under ten principles which are the pillars of good corporate governance.

Provisions (some of which are further substantiated in the Appendices) are recommendations describing how to apply the principles. Companies are expected to comply with these provisions or explain why, taking into account their specific situation, they do not comply with them.

In specific cases companies may depart from some of the Code's provisions, if they give a considerate explanation of the reasons for doing so. These companies should determine what they consider to be the best practice in their specific situation, and provide a sound reason ('explain') in their Corporate Governance Statement. Smaller companies, for example, may consider that some provisions are disproportionate or less relevant. Also, holding and investment companies may have a different board structure, which can affect the relevance of certain provisions. Companies giving a considered explanation for the reasons why they depart from the Code can still be considered to be applying the Code.

The provisions are supplemented with guidelines, providing guidance on how the company should implement or interpret the provisions of the Code. The obligation to 'comply or explain' does not apply to these guidelines. For a better understanding and for reasons of comprehensiveness, the Code contains some recent legal provisions.

DISCLOSURE

Disclosure is essential for corporate governance and crucial to allow effective external monitoring. Through disclosure, the Code seeks to achieve a high level of transparency.

Transparency is achieved through disclosure via two different documents: the Corporate Governance Charter, posted on the company's website, and the Corporate Governance Statement, a specific section of the annual report. In its Corporate Governance Charter, the company must describe the main aspects of its corporate governance, such as its governance structure, the terms of reference of the board and its committees as well as other important topics. The Corporate Governance Charter should be updated regularly. The Corporate Governance Statement should state that the company has adopted this Code as its reference code. It should also include more factual information relating to corporate governance: e.g. the provisions it does not comply with and the reasons for non-compliance, the remuneration

report, a description of the main features of the internal control and risk management systems and a description of the composition and operation of the board.

MONITORING AND COMPLIANCE

As in many countries, it should be opted a combined monitoring system that relies on the board, the company's shareholders, the statutory auditor, as well as other possible mechanisms.

• The Board

In a 'one-tier board' model, the board has a dual role to play: to support entrepreneurship and to ensure effective monitoring and control. Hence, to be able to play its role as the guardian of the corporate interest, it is important that the board is composed of both executive and non-executive directors. All directors should demonstrate independence of judgement and objectivity in making board decisions. The independent directors will have a crucial role to play in this respect. It is the board's responsibility to ensure the accuracy and completeness of the Corporate Governance Charter and the Corporate Governance Statement.

• Shareholders

Given the Code's flexible 'comply or explain' approach, shareholders, and in particular institutional shareholders, play an important role in carefully evaluating a company's corporate governance and should weigh up all relevant factors drawn to their attention. Shareholders should carefully consider explanations given for deviations from the Code and make reasoned judgements in each case. They should be prepared to enter into a dialogue if they do not accept the company's position, bearing in mind, in particular, the size and complexity of the company and the nature of the risks and challenges it faces.

Controlling shareholders can appoint representatives to the board. They are therefore in a position to monitor both from the inside and the outside of the company, with the benefits and risks that such a strong position may entail. Controlling shareholders should thus make considered use of their position and respect the rights and interests of minority shareholders.

• The Statutory Auditor

Within its statutory audit mission, the statutory auditor has to express an opinion on the true and fair view of the company's assets and liabilities, its financial position and the results of its operations in accordance with the financial reporting framework applicable in the country. It is also the responsibility of the statutory auditor to comment on the annual report.

Furthermore, the statutory auditor shall report to the audit & compliance committee on the key matters arising from the statutory audit of the financial statements, and in particular on material weaknesses in internal control in relation to the financial reporting process.

PRINCIPLE 1. THE COMPANY SHALL ADOPT A CLEAR GOVERNANCE STRUCTURE

1.1 Every company should be headed by a collegial board. The company should define and disclose the board's terms of reference in its Corporate Governance Charter (hereinafter "CG Charter").

Guideline: The board's role should be to pursue the long-term success of the company by providing entrepreneurial leadership and enabling risks to be assessed and managed.

Guideline: The board's responsibilities should be defined in the articles of association of the company and in the terms of reference of the board. It should detail its responsibilities, duties, composition and operation, within the limits defined by the company's articles of association.

Guideline: The board should be organized in order to perform its tasks efficiently.

Guideline: The Company should adapt its governance structure to its evolving needs.

1.2 The board should decide on the company's values and strategy, its risk appetite and key policies.

Guideline The board should ensure that the necessary leadership, human and financial resources are in place for the company to meet its objectives.

Guideline In translating values and strategies into key policies, the board should pay attention to corporate social responsibility, gender diversity and diversity in general.

1.3 With respect to its monitoring responsibilities, the board should at least:

- review executive management performance and the realization of the company's strategy;
- monitor and review the effectiveness of the board's committees;
- review the existence and functioning of a system of internal control, including adequate identification and management of risks (including those relating to compliance with existing legislation and regulations);
- 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;

Guideline "Timely disclosure" means the disclosure in due time according to the existing legislation and regulations.

- approve a framework of internal control and risk management set up by the executive management;

Guideline Such a framework should be clear, define the meaning of 'internal control' and 'risk management' and help the executive management to put internal control and risk management systems in place.

- review the implementation of this framework, taking into account the review made by the audit & compliance committee;
- supervise the performance of the statutory and/or registered auditor (hereinafter "external auditor") and supervise the internal audit function
- describe the main features of the company's internal control and risk management systems, to be disclosed in the Corporate Governance Statement (hereinafter "CG Statement").

1.4 The board should decide on the executive management structure and determine the powers and duties entrusted to **the** executive management. These should be included in the terms of reference of the board and in those of **the** executive management.

1.5 There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business.

The chairman of the board and the chief executive officer (hereinafter "CEO") should not be the same individual. The division of responsibilities between the chairman and the CEO should be clearly established, set out in writing and agreed by the board.

1.6 The chairman should establish a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

1.7 The board should foster - through appropriate measures - an effective dialogue with the shareholders and potential shareholders based on a mutual understanding of objectives and concerns.

1.8 The board should ensure that its obligations to all shareholders are understood and met. It should account to the shareholders for the discharge of its responsibilities.

PRINCIPLE 2. THE COMPANY SHALL HAVE AN EFFECTIVE AND EFFICIENT BOARD THAT TAKES DECISIONS IN THE CORPORATE INTEREST

2.1 The board's composition should ensure that decisions are made in the corporate interest. It should be determined on the basis of gender diversity and diversity in general, as well as complementary skills, experience and knowledge. A list of the members of the board should be disclosed in the CG Statement.

Guideline The board should be small enough for efficient decision-making. It should be large enough for its members to contribute experience and knowledge from different fields and for changes to the board's composition to be managed without undue disruption.

2.2 No individual or group of directors should dominate the board's decision-making. No one individual should have unfettered powers of decision-making.

2.3 At least one half of the board should comprise non-executive directors and at least three of them should be independent according to the criteria set out in Appendix A.

Guideline A non-executive director is any member of the board who has no executive responsibilities in the company.

2.4 The list of the members of the board, disclosed in its CG Statement, should indicate which directors are independent. An independent director who ceases to satisfy the requirements of independence should immediately inform the board.

2.5 The chairman is responsible for the leadership of the board. He or she should take the necessary measures to develop a climate of trust within the board, contributing to open discussion, constructive dissent and support for the board's decisions.

Guideline The chairman should promote effective interaction between the board and the executive management.

Guideline The board may entrust the chairman with other specific responsibilities.

2.6 The chairman sets the agenda of the board meetings, 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 minutes of the meeting should sum up the discussions, specify any decisions taken and state any reservations voiced by directors.

Guideline The agenda should list the topics to be discussed and specify whether they are for information, for deliberation or for decision-making purposes.

2.7 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.

Guideline The chairman should ensure that all directors can make a knowledgeable and informed contribution to board discussions and that there is sufficient time for consideration and discussion before decision making.

Guideline Directors should have access to independent professional advice at the company's expense, subject to compliance with the relevant procedure laid down by the board.

2.8 The board should meet sufficiently regularly to discharge its duties effectively. The number of board and board committee meetings and the individual attendance record of directors should be disclosed in the CG Statement.

Guideline The company should consider organising - where necessary - board and committee meetings using video, telephone or internet-based means.

Guideline: The Board should meet at least three times a year. During the first meeting of the year the board reviews the results of the company of the previous year, the second meeting should review the mid-year results and the third should review the budget proposals. Dates of these meetings for the next year are fixed during the last meeting of the year. An additional meeting may be held to review the budget performance of the current year and approve any changes if unforeseen conditions impose such decision.

2.9 The board should appoint a company secretary to advise the board on all governance matters. Where necessary, the company secretary should be assisted by the company lawyer. Individual directors should have access to the company secretary.

Guideline The role of the company secretary should include ensuring, under the direction of the chairman, good information flow within the board 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, under the direction of the chairman, on how board procedures, rules and regulations are being followed and complied with. The terms of reference of the board should describe the role and tasks of the company secretary.

PRINCIPLE 3. ALL DIRECTORS SHALL DEMONSTRATE INTEGRITY AND COMMITMENT

3.1 Independence of judgment is required in the decisions of all directors, executive and non-executive alike, whether the non-executive directors are independent or not.

3.2 Directors should make sure they receive detailed and accurate information and should study it carefully so as to acquire and maintain a clear understanding of the key issues relevant to the company's business. They should seek clarification whenever they deem it necessary.

3.3 While executive and non-executive directors are part of the same collegial body, they each have a specific and complementary role to play on the board.

Guideline Executive directors should provide all relevant business and financial information for the board to function effectively.

Guideline Non-executive directors should constructively challenge and help develop strategy and key policies proposed by the executive management.

Guideline Non-executive directors should scrutinise the performance of the executive management in meeting agreed goals.

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

Guideline Directors have an obligation to handle the confidential information received in their capacity as director with caution.

3.5 Each member of the board should arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the company. Transactions between the company and its board members should take place at arms' length. All directors should inform the board of conflicts of interest as they arise and abstain from voting on the matter involved in accordance with the relevant provisions of the Code on Companies. Any abstention from voting, motivated by a conflict of interest, should be disclosed in accordance with the relevant provisions of the Code on Companies.

3.6 The board should establish a policy for transactions or other contractual relationships between the company, including its related companies, and its board members, which are not covered by the legal provisions on conflicts of interest. This policy should be disclosed in the CG Charter. Comments on the application of this policy should be disclosed in the CG Statement.

3.7 The board shall take all necessary and useful measures for effective to comply with relevant legislation on insider dealing and market abuse. In this respect it should at least adhere to the provisions and guidelines laid down in Appendix B.

PRINCIPLE 4. THE COMPANY SHALL HAVE A RIGOROUS AND TRANSPARENT PROCEDURE FOR THE APPOINTMENT AND EVALUATION OF THE BOARD AND ITS MEMBERS

Nomination and appointment

4.1 There should be a rigorous and transparent procedure for an efficient appointment and re-appointment of directors. The board should draw up nomination procedures and selection criteria for board members, including specific rules for executive and non-executive directors where appropriate.

4.2 The chairman of the board or another non-executive director should lead the nomination process. The nomination committee should recommend suitable candidates to the board. The board should then make proposals for appointment or re-election to the general shareholders' meeting.

4.3 For any new appointment to the board, the skills, knowledge and experience already present and those needed on the board should be evaluated and, in the light of that evaluation, a description of the role and skills, experience and knowledge needed should be prepared (also referred to as a 'profile').

4.4 When dealing with a new appointment, the chairman of the board should ensure that, before considering the candidate, the board 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.

4.5 Non-executive directors should be made aware of the extent of their duties at the time of their application, in particular as to the time commitment involved in carrying out those duties. They should not consider taking on more than five directorships in listed companies. Changes to their other relevant commitments and their new commitments outside the company should be reported to the chairman of the board as they arise.

Guideline Non-executive directors should undertake to have sufficient time to meet what is expected of them, taking into account the number and importance of their other commitments.

4.6 Any proposal for the appointment of a director by the general shareholders' meeting should be accompanied by a recommendation from the board, based on the advice of the nomination committee. This provision also applies to proposals for appointment originating from shareholders. The proposal should specify the proposed term of the mandate, which should not exceed four years or the norm of the country as per the articles of association. It should be accompanied by relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds. The board will indicate which candidates satisfy the independence criteria set out in Appendix A.

Without prejudice to applicable legal provisions, proposals for appointment should be communicated at least 24 days before the general shareholders' meeting, together with the other points on the agenda of the general shareholders' meeting.

4.7 The board should appoint its chairman on the basis of his knowledge, skills, experience and mediation strength. If the board envisages appointing the former CEO as chairman, it should carefully consider the positive and negative aspects in favor of such a decision and disclose in the CG Statement why such appointment is in the best interest of the company.

Professional development

4.8 The chairman should ensure that the newly appointed directors receive an appropriate induction to ensure their swift contribution to the board.

Guideline 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.

4.9 For directors joining board committees, the induction provided should encompass a description of their specific role and duties and any other information linked to the specific role of that committee.

Guideline For new audit & compliance committee members, this programme should cover the audit & compliance committee's terms of reference and provide an overview of the company's internal control organisation and risk management systems. They should be provided, in particular, with full information on the

company's specific operational, financial, accounting and auditing features. This induction should also include meeting the external auditor and the relevant company staff.

4.10 Directors should update their skills and improve their knowledge of the company to fulfill their role both on the board and on board committees.

Guideline Necessary resources should be made available to develop and update the directors' knowledge and skills.

Evaluation

4.11 Under the lead of its chairman, the board should regularly (e.g. at least every two to three years) assess its size, composition, performance and those of its committees, as well as its interaction with the executive management.

Guideline Regular evaluation by the board of its own effectiveness should promote continuous improvement in the governance of the company.

Guideline The evaluation process should have four objectives:

- assessing how the board or the relevant committee operates;
- checking that the important issues are suitably prepared and discussed;
- evaluating the actual contribution of each director's work, the director's presence at board and committee meetings and his constructive involvement in discussions and decision-making; and
- checking the board's or committee's current composition against the board's or committee's desired composition.

Guideline Although evaluation is a board responsibility, the board should be assisted in this evaluation by the nomination committee, and possibly also by external experts.

4.12 The non-executive directors should regularly (preferably once a year) assesses their interaction with the executive management. In this respect, non-executive directors should meet at least once a year in the absence of the CEO and the other executive directors.

4.13 There should be a periodic evaluation of the contribution of each director aimed at adapting the composition of the board to take account of changing circumstances. When dealing with re-election, the director's commitment and effectiveness should be evaluated in accordance with a pre-established and transparent procedure.

Guideline Special attention should be given to the evaluation of the chairman of the board and the chairmen of the committees.

4.14 The board should act on the results of the performance evaluation by recognizing its strengths and addressing its weaknesses. Where appropriate, this will involve proposing new members for appointment, proposing not to reelect existing members or taking any measure deemed appropriate for the effective operation of the board.

Guideline The board should satisfy itself that plans are in place for the orderly succession of appointments to the board. It should satisfy itself that any appointment and re-election, whether of executive or non-executive directors, will allow an appropriate balance of skills and experience to be maintained on the board.

4.15 Information on the main features of the evaluation process of the board, its committees and its individual directors should be disclosed in the CG Statement.

PRINCIPLE 5. THE BOARD SHALL SET UP SPECIALISED COMMITTEES

5.1 The board should set up specialized committees to analyze specific issues and advise the board on those issues. The decision-making remains within the collegial responsibility of the board. The board should determine and disclose the terms of reference of each committee in the CG Charter. It should also detail the composition and operation of each committee in the CG Statement.

5.2 The board shall set up an audit & compliance committee in accordance with the Code on Companies. It should assist the board in fulfilling its monitoring responsibilities in respect of control in the broadest sense and follow the provisions set out in Appendix C.

5.3 The board should set up a nomination & remuneration committee following the provisions set out in Appendix D.

5.4 The board should set up strategy & business development committee following the provisions set out in Appendix E.

5.5 The chairman of the board should ensure that the board appoints committee members and a chairman for each of those committees. Each committee is composed of at least three members. The appointments should not be for a term exceeding that of board membership.

Guideline In deciding on the specific composition of a committee, consideration should be given to the needs and qualifications required for the optimal functioning of that committee.

Guideline Each committee may invite any non-member to attend its meetings.

5.6 Board committees should be entitled to seek external professional advice at the company's expense after explicit approval of the chairman of the board.

5.7 After each committee meeting, the board shall receive a report from each committee on its findings and recommendations.

PRINCIPLE 6. THE COMPANY SHALL DEFINE A CLEAR EXECUTIVE MANAGEMENT STRUCTURE

6.1 The board should determine, in close consultation with the CEO, the terms of reference of the executive management detailing its responsibilities, duties, powers, composition and operation. These terms should be disclosed in the CG Charter.

6.2 The executive management should include at least all executive directors. If a management committee exists, the executive management should also include all members of that committee. A list of the members of the executive management should be disclosed in the CG Statement.

6.3 The nomination committee should assist the board on the nomination and succession planning of the CEO and the other members of the executive management, unless otherwise decided by the board.

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

6.5 The executive management should at least:

- be entrusted with the running of the company;
- put internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other risks) without prejudice to the board's monitoring role, based on the framework approved by the board;
- present to the board 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 with a balanced and understandable assessment of the company's financial situation;
- provide the board in due time with all information necessary for the board to carry out its duties;
- be responsible and accountable to the board for the discharge of its responsibilities.

6.6 Clear procedures should exist for:

- proposals from the executive management for decisions to be taken by the board;
- the decision-making by the executive management;
- the reporting to the board of key decisions taken by the executive management;
- the evaluation of the CEO and other members of the executive management.

These procedures should be reviewed and adjusted, if required, to ensure the effective exercise by the board and the executive management of their respective powers and duties.

Guideline The powers to represent the company solely or jointly and the extent of, and limitations on, those powers shall be clearly defined, taking into account the way in which the board has entrusted the executive management with the running of the company and the relevant provisions of the Code on Companies. All those concerned should be fully acquainted with the scope of those powers.

6.7 Each member of the executive management should arrange his personal and business affairs so as to avoid direct and indirect conflicts of interest with the company. Transactions between the company and its executive managers should take place at arms' length.

6.8 The policy established by the board according to Provision 3.6 should also address transactions or other contractual relationships between the company, including its related companies, and its executive managers.

PRINCIPLE 7. THE COMPANY SHALL REMUNERATE DIRECTORS AND EXECUTIVE MANAGERS FAIRLY AND RESPONSIBLY

7.1 Levels of remuneration should be sufficient to attract, retain and motivate directors and executive managers who have the profile determined by the board. The board determines the remuneration policy for executive managers

7.2 The company should set up a remuneration report. This remuneration report should form a well defined part of the CG Statement.

7.3 The company should disclose in its remuneration report: a description of its internal procedure 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.

7.4 The company should also disclose in its remuneration report, a statement of the adopted remuneration policy for the executive managers. Any significant changes to this remuneration policy occurred since the end of the financial reported year should be explicitly emphasized in the remuneration report.

7.5 An individual should not decide his own remuneration.

Non-executive directors' remuneration

7.6 The remuneration of non-executive directors should take into account their role as ordinary board members, and specific roles, as chairman of the board, chairman or member of board committees, as well as their resulting responsibilities and commitment in time.

7.7 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.

7.8 The amount of the Remuneration and other benefits granted directly or indirectly to Non-executive directors, by the company or its subsidiaries should be disclosed, on an individual basis, in the remuneration report.

Executive directors' & executive managers' remuneration

7.9 The level and structure of the remuneration of executive managers should be such that qualified and expert professionals can be recruited, retained and motivated, taking into account the nature and scope of their individual responsibilities.

7.10 If an executive manager is also a member of the board, information on the amount of remuneration he receives in such capacity should be disclosed in the remuneration report.

7.11 An appropriate proportion of an executive manager's remuneration package should be 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.

7.12 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 should be disclosed in the remuneration report. This information should be provided in such a way that it does not disclose any confidential information regarding the company's strategy.

7.13 Schemes under which executive managers are remunerated in shares, share options or any other right to acquire shares should be subject to prior shareholder approval by way of a resolution at the general shareholders' meeting. The approval should relate to the scheme itself and not to the grant of share-based benefits under the scheme to individuals.

Guideline As a rule, shares should not vest and options should not be exercisable within less than three years.

7.14 The amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the company or its subsidiaries should be disclosed in the remuneration report. This information should be disclosed, providing a split between:

- (a) basic remuneration;
- (b) variable remuneration: for all incentives indicating the form in which this variable remuneration is paid;
- (c) pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and
- (d) other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components.

If the company has materially deviated from its remuneration policy during the financial reported year, it should be explained in the remuneration report.

7.15 The amount of the remuneration and other benefits granted directly or indirectly to other members of the executive management, by the company or its subsidiaries should be disclosed on a global basis, in the remuneration report. This information should be disclosed, providing a split between:

- (a) basic remuneration;
- (b) variable remuneration: for all incentives indicating the form in which this variable remuneration is paid;
- (c) pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and
- (d) other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components.

If the company has materially deviated from its remuneration policy during the financial reported year, it should be explained in the remuneration report.

7.16 For the CEO and the other executive managers, the remuneration report should disclose, on an individual basis, the number and key features of shares, share options or any other rights to acquire shares, granted, exercised or lapsed during the financial reported year.

Contract of the CEO and the other executive managers

7.17 The board should approve the contracts for the appointment of the CEO and other executive managers further to the advice of the remuneration committee. The contracts should refer to the criteria to be taken into account when determining variable remuneration. The contract should contain specific provisions relating to early termination.

Severance pay

7.18 Any contractual arrangement made with the company or its subsidiaries concerning the remuneration of the CEO or any other executive manager should specify that severance pay awarded in the event of early termination should not exceed 12 months' basic and variable remuneration. The board may consider higher severance pay further to a recommendation by the remuneration committee. Such higher severance pay should be limited to a maximum of 18 months' basic and variable remuneration. The contract should specify when such higher severance pay may be paid. The board should justify this higher severance pay in the remuneration report.

Guideline Basic remuneration component should be based on the monthly remuneration paid the last month before termination. Variable remuneration component should be contractually determined. It should be based on variable compensation effectively paid during the contract. It could, for instance, refer to the previous year's variable remuneration or to the mean value of the variable remuneration paid over a specific number of previous years.

Guideline Examples of when a higher severance pay could be paid include: departure because of a merger, a change of control or a change of strategy; existing termination rights within the company; the candidate's years of service in his previous position; necessary condition for obtaining the candidate's agreement.

The contract should specify that the severance package should neither take account of variable remuneration nor exceed 12 months' basic remuneration if the departing CEO or executive manager did not meet the performance criteria referred to in the contract.

PRINCIPLE 8. THE COMPANY SHALL ENTER INTO A DIALOGUE WITH SHAREHOLDERS AND POTENTIAL SHAREHOLDERS BASED ON A MUTUAL UNDERSTANDING OF OBJECTIVES AND CONCERNS

8.1 The company should treat all shareholders equally and respect their rights.

Communication with shareholders and potential shareholders

8.2 The company should design a disclosure and communication policy promoting an effective dialogue with shareholders and potential shareholders.

8.3 The company should ensure that all necessary facilities and information to enable shareholders to exercise their rights are available. The company should dedicate a specific section of its website to describing the shareholders' rights to participate and vote at the general shareholders' meeting. This section should also contain a timetable on periodic information and shareholders' meetings. The articles of association and the CG Charter should be available at any time.

8.4 The company should disclose the identity of its major shareholders in its CG Charter, together with a description of their voting rights and special control rights, and, if they act in concert, a description of the key elements of existing shareholders' agreements. The company should also disclose other direct and indirect relationships between the company and major shareholders.

General shareholders' meeting

8.5 The company should encourage the shareholders to participate in the general shareholders' meeting. The general shareholders' meeting should be used to communicate with shareholders. Those shareholders who are not present should be able to vote in absentia, such as by proxy voting.

Guideline The company could, in this respect, also take into account how non-resident shareholders can exercise their rights. Given the existing framework, the company should consider whether communication technology could offer solutions to some practical issues and whether an appropriate approach could be developed in this respect.

Guideline The company should discuss with financial intermediaries how to increase participation at the general shareholders' meeting.

Guideline The company should ask institutional shareholders and their voting agencies for explanations on their voting behaviour.

8.6 The company should make the relevant information accessible through its website in advance of general shareholders' meeting.

8.7 On convening meetings, the company should provide appropriate explanations on agenda items and on resolutions put forward by the board. In addition to the formalities imposed by the Code on Companies in this respect, the company should use its website to make public all relevant information and documentation on the exercise of the shareholders' voting rights.

8.8 The level of shareholding for the submission of proposals by a shareholder to the general shareholders' meeting should not exceed 5% of the share capital.

8.9 The chairman conducts the general shareholders' meeting and should take the necessary measures to ensure that any relevant questions from shareholders are answered. At the general shareholders' meeting, the directors should answer questions put to them by the shareholders on their annual report or on the items on the agenda.

Guideline Under the guidance of the chairman of the board, directors should answer such questions, insofar as the answers would not materially prejudice the company, its shareholders or its employees.

8.10 The company should post the results of votes and the minutes of the general shareholders' meeting on its website as soon as possible after the meeting.

Companies with one or more controlling shareholder(s)

8.11 For companies with one or more controlling shareholder(s), the board should endeavour to have the controlling shareholder(s) make a considered use of its/their position and respect the rights and interests of minority shareholders. The board should encourage the controlling shareholder(s) to respect this Code.

Shareholders

8.12 Given the reliance on market monitoring to enforce the flexible 'comply or explain' approach of this Code, the board should take the necessary measures to encourage shareholders, and in particular institutional shareholders, to play an important role in carefully evaluating a company's corporate governance. The board should endeavour to ensure that institutional and other shareholders weigh up all relevant factors drawn to their attention.

8.13 The board should endeavor to ensure that shareholders carefully consider the explanations given for deviating from this Code and encourage them to make reasoned judgments in each case. The board should engage in a dialogue with shareholders if those shareholders do not accept the company's position, bearing in mind in particular the company's size and complexity and the nature of the risks and challenges it faces.

PRINCIPLE 9. THE COMPANY SHALL ENSURE ADEQUATE DISCLOSURE OF ITS CORPORATE GOVERNANCE

9.1 The company should establish a CG Charter describing all the main aspects of its corporate governance policy, including at least the elements listed in the provisions of Appendix F, 9.1./1.

9.2 The CG Charter should be updated as often as needed to reflect the company's corporate governance at any time. It should be made available on the company's website and should specify the date of the most recent update.

9.3 The company should establish a CG Statement in its annual report describing all relevant corporate governance events that have taken place during the year under review. This CG Statement should be included in a specific section of the annual report and should contain at least the information listed in Appendix F, 9.3./1-2.

9.4 The company should state both in its CG Statement and its CG Charter that it has adopted this Code and the country Code as its reference code. If the company has not complied fully with one or more provisions of this Code, it should explain its reasons for not having done so in the CG Statement ('comply or explain').

PRINCIPLE 10. THE COMPANY SHALL COMPLY WITH ENVIRONMENTAL, HEALTH AND SAFETY REGULATIONS

10.1 The company should conduct business in a safe and environmentally sustainable manner that promotes the health of its employees, customers, community and the Environment. All employees are expected to understand, follow and promote this Guideline.

Compliance

10.2 The company shall comply with all applicable Environmental, Health and Safety (EHS) laws and regulations. The company will conduct audits and implement practices to ensure compliance with these requirements.

Continual Improvement

10.3 The company shall establish EHS goals, objectives and targets to continually improve her performance, and will publicly report its progress.

Business Integration

10.4 The company shall integrate EHS into business decisions to proactively ensure the health and safety of its employees and promote environmentally sustainable practices.

Communication and Education

10.5 The company shall communicate this Guideline to her employees, customers, shareholders, suppliers, community and other stakeholders. The company will provide training and resources to enable employees to implement this Guideline and share best practices in order to promote human and environmental health.

APPENDIX

Appendix A. Criteria of independence

2.4./1 All independent directors appointed in application of the country Code on Companies shall respect the following criteria

1) Not being an executive member of the board, or exercising a function as a member of the legal management committee or as a person entrusted with daily management of the company or a related company or person (and not having been in such a position for the previous five years before his nomination.

2) Not having served for more than three terms as a non-executive director of the board, without exceeding a total term of more than twelve years.

3) Not being an employee of the senior management, of the company or an related company or person and not having been in such a position for the previous three years before his nomination;

4) Not receiving, or having received, any significant remuneration or other significant advantage of a patrimonial nature from the company, or an related company or person apart from any bonus or fee he receives or has received as a non-executive member of the board;

5)

(a) Not holding any shareholder rights representing one tenth or more of the company's capital, the company's social funds or of a class of shares of the company;

(b) If the independent director holds shareholder rights representing less than one tenth:

- not holding shareholder rights representing, together with the shareholder rights owned in the same company by companies controlled by the independent director, one tenth or more of the company's capital, the social funds or of a class of shares of the company; or

- the disposal of those shares or the exercise of the related rights not being subject to contractual stipulations or unilateral undertakings given by the independent director;

(c) Not representing, in any circumstances, a shareholder fulfilling the conditions covered under this point 5).

6) Not having, or having had within the financial reported year, a significant business relationship with the company or a related company or either directly or as partner, shareholder, member of the board, member of the senior management of a company or person who maintains such a relationship;

7) Not being or having been within the last three years, a partner or employee of the current or former external auditor of the company or a related company or person;

8) Not being an executive director of another company in which an executive director of the company is a nonexecutive member of the board, and not having other significant links with executive directors of the company through involvement in other companies or bodies.

9) Not being a spouse, legal partner or close family member to the second degree of a director or member of the legal management committee or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) in the company or a related company or person (as defined in article 11 CoC) or of the persons referred to in (1) to (8) above.

2.4./2 Notwithstanding provision 2.4./1., independent directors shall remain independent until reappointed.

2.4./3 All other independent directors within the meaning of this Code should respect the criteria set out above in provision 2.4./1.

Appendix B. Transactions in company stock and compliance with the country rules on market abuse.

3.7./1 The board should draw up a set of rules (the "dealing code") regulating transactions and the disclosure of such transactions in shares of the company or in derivatives or other financial instruments linked to them (the "company stock") carried out for their own account by directors and other persons discharging managerial responsibilities. The dealing code should specify which information regarding those transactions should be disclosed to the market.

Guideline The dealing code should set limitations on the carrying out of transactions in the company stock for a designated period preceding the announcement of its financial results (a "closed period") or in any other period considered sensitive (a "prohibited period").

Guideline The board should ensure that a compliance officer is appointed who will have the duties and responsibilities assigned by the dealing code. The compliance officer should at least monitor the directors' and other persons' discharging managerial responsibilities compliance with the dealing code.

Guideline The dealing code should provide that before any transaction in the company stock, a director or another person discharging managerial responsibilities should at least inform the compliance officer about the transaction he intends to carry out.

Guideline If a director or the other person discharging managerial responsibilities carries out a transaction in company stock and the compliance officer has been informed, the transaction should be made public according to the dealing code.

3.7./2 The board should also designate the other persons to whom these rules shall apply.

Appendix C. Audit & Compliance Committee

5.2./1 The board shall set up an audit & compliance committee composed of non-executive directors or a representative selected by the board.

5.2./2 The Company may permit the functions assigned to the audit & compliance committee to be performed by the board as a whole, provided that if the chairman of the board is an executive member he shall not chair the board operating as audit & compliance committee.

5.2./3 Without prejudice to 5.2./2, the chairman of the board should not chair the audit & compliance committee.

5.2./4 At least a majority of the audit & compliance committee's members should be independent. At least one of them shall have accounting and auditing expertise.

5.2./5 The board should satisfy itself that the audit & compliance committee has sufficient relevant expertise, notably in accounting, auditing and finance, to fulfil its role effectively.

5.2./6 Without prejudice to the legal responsibilities of the board, the audit & compliance committee shall have at least the following roles:

- monitoring the financial reporting process;
- monitoring the effectiveness of the company's internal control and risk management systems;
- monitoring the internal audit and its effectiveness;
- monitoring the (legal) statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the external auditor; and
- reviewing and monitoring the independence of the external auditor, in particular regarding the provision of additional services to the company.
- monitoring of the effectiveness and efficiency of Operations in accordance with the objectives defined by the management
- monitoring of the compliance with applicable Laws and Regulations, including compliance with all applicable Environmental, Health and Safety (EHS) laws and regulations. The company will conduct audits and implement practices to ensure compliance with these requirements besides internal procedures
- monitoring of the company's social & corporate responsibility policy, communication policy and the applicability of the code of conduct, and dealing code
- monitoring of decisions having an effect on the relationship with the State of any existing conventions with the State.

5.2./7 The board should determine any additional roles of the audit & compliance committee.

5.2./8 The audit & compliance committee shall report regularly to the board on the exercise of its duties, and at least when the board sets up the annual accounts, the consolidated accounts, and where applicable the condensed financial statements intended for publication.

5.2./9 The audit & compliance committee should also report regularly to the board 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 regards the steps to be taken.

5.2./10 Parent companies should ensure that the audit review, and the reporting on that review, covers the group as a whole.

Financial reporting process

5.2./11 When monitoring the financial reporting process, the audit & compliance committee should, in particular, review the relevance and consistency of the accounting standards used by the company and its group. This includes the criteria for the consolidation of the accounts of companies in the group.

This review should involve assessing the correctness, completeness and consistency of financial information. The review should cover periodic information before it is made public. It should be based on an audit programme adopted by the audit & compliance committee.

5.2./12 Executive management should inform the audit & compliance 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 company in offshore centers and/or through special purpose vehicles.

5.2./13 The audit & compliance committee should discuss significant financial reporting issues with both the executive management and the external auditor.

Internal control and risk management systems

5.2./14 The monitoring of the effectiveness of the company's internal control and risk management systems set up by the 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.

5.2./15 The audit & compliance committee should review the statements included in the CG Statement on internal control and risk management.

5.2./16 The audit & compliance committee should review 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 audit & compliance committee directly.

Internal audit

5.2./17 An independent internal audit function should be established, 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.

5.2./18 The audit & compliance committee should review 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.

5.2./19 In particular, the audit & compliance 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 management's responsiveness to the audit & compliance committee's findings and recommendations.

External audit

5.2./20 The audit & compliance committee should make a proposal to the board on the selection, appointment and reappointment of the external auditor, as well as on the terms of his engagement. The board should submit a proposal to the shareholders for approval.

5.2./21 The audit & compliance committee's proposal on the appointment of the external auditor shall be included on the agenda of the general shareholders' meeting. The same applies for the renewal of this appointment.

5.2./22 The external auditor shall:

- annually confirm, in writing, to the audit & compliance committee, its independence from the company;
- annually inform the audit & compliance committee about the additional services provided to the company;
- examine with the audit & compliance committee the risks relating to its independence and the safety measures taken to decrease these risks as documented by him.

5.2./23 The audit & compliance committee should obtain a report from the external auditor describing all relationships between the external auditor and the company and its group.

5.2./24 The audit & compliance committee should also monitor the nature and extent of the additional services provided. The audit & compliance committee should propose to the board and apply a formal policy specifying the types of additional services that are:

- excluded;
- permissible after review by the committee; and
- permissible without referral to the audit & compliance committee, taking into account the specific requirements of the Code on Companies.

5.2./25 Without prejudice to the legal provisions, which require that the statutory auditor provides reports or warnings to the administrative bodies of the company, the external auditor shall report to the audit & compliance committee, on the 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.

5.2./26 The audit & compliance committee should review the effectiveness of the external audit process, and management's responsiveness to the recommendations made in the external auditor's management letter.

5.2./27 The audit & compliance committee should investigate the issues giving rise to any resignation of the external auditor, and should make recommendations regarding any required action.

Risk Management

5.2./28 The Board shall establish Risk Management practices to assist it in its oversight of the risk profile, risk management framework and the risk-reward strategy determined by the Board.

5.2./29 The written terms of reference shall include the following:

- Review and approval of the companies risk management policy including risk appetite and risk strategy;
- Review the adequacy and effectiveness of risk management and controls;
- Oversight of management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms;
- Review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile;
- Periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile; and
- Review and recommend for approval of the Board risk management procedures and controls for new products and services.

5.2./30 To enhance the risk management function, a senior management staff shall be detailed to perform the function

5.2./31 The Board is responsible for the process of risk management. It should accordingly form its own opinion on the effectiveness of the process. Management is accountable to the Board for implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the company.

5.2./32 The Board shall through the Audit & Compliance Committee

- Oversee the establishment of a management framework that defines the company's risk policy, risk appetite and risk limits. The framework should be formally approved by the Board. The company's risk management policies should be communicated in simple and clear language to all employees to ensure the integration of risk awareness at all levels of the company.
- Ensure that the risk management framework is integrated into the day-to-day, operations of the business and provides guidelines and standards for administering the acceptance and on-going management of key risks such as operational, reputational, financial, market, technology and compliance risk.
- Undertake at least annually, a thorough risk assessment covering all aspects of the company's business. The results of the risk assessment should be used to update the risk management framework of the company.

- Obtain and review periodically relevant reports to ensure the ongoing effectiveness of the company's risk management framework.
- Ensure that the company's risk management policies and practices are disclosed in the annual report.

Corporate/Public Relations

5.2./33 The committee shall review and evaluate the major determinants of corporate change that apply to the company with the view to establishing guidelines for favorable positioning of the company in the eyes of the public

5.2./34 The committee shall review and evaluate business proposals of decision, to be submitted to the Board for approval, having an effect on the relationship with the State of any existing conventions with the State

Corporate & Social Responsibility / Ethic / Accountability

5.2./35 The Committee shall be responsible for a range of matters relating to Corporate & Social Social Responsibility, Environmental Awareness, Ethical Conduct, Communications with all stakeholders and allied matters.

Corporate & Social Responsibility

5.2./36 The Corporate Social Responsibility shall be spelt out in a Policy Document.

5.2./37 Company shall pay adequate attention to the interests of its stakeholders such as its employees, host community, the consumers and the general public. It shall demonstrate sensitivity to the country social and cultural diversity and should as much as possible promote strategic national interests as well as national ethos and values without compromising global aspirations where applicable.

5.2./38 Company shall recognise corruption as a major threat to business and to national development and therefore as a sustainability issue for businesses in the operating country. The Company, the Board and individual directors shall commit themselves to transparent dealings and to the establishment of a culture of integrity and zero tolerance to corruption and corrupt practices.

5.2./39 The Committee shall report annually on the nature and extent of its social, ethical, safety, health and environmental policies and practices. Issues should be categorized into the following levels of reporting:

- Disclosures of the company's business principles and codes of practice and efforts towards implementation of same;
- Description of workplace accidents, fatalities and occupational and safety incidents against objectives and targets and a suitable explanation where appropriate;
- Disclose the company's policies, plans and strategy of addressing and managing the impact of HIV/AIDS, Malaria and other serious diseases on company's employees and their families;
- Application, in the company's operations, of options with the most benefit or least damage to the environment, particularly in areas of operation in disadvantaged regions or in regions with delicate ecology in order to minimize environmental impact of the company's operations;
- The nature and extent of employment equity and gender policies and practices, especially as they relate to the executive level opportunities;
- Information on number and diversity of staff, training initiatives, employee development and the associated financial investment;
- Disclosure on the conditions and opportunities created for physically challenged persons or disadvantaged individuals;
- The nature and extent of the company's social investment policy; and
- Disclosure on the company's policies on corruption and related issues and the extent of the compliance with the policies and the company's code of ethics.

Communications

5.2./40 The Company shall adopt and implement a communications policy that enables the Board and management to communicate, interact with and disseminate information regarding the operations and management of the company to shareholders, stakeholders and the general public.

5.2./41 The Committee should ensure that company reports and other communication to shareholders and other stakeholders are in plain language, readable and understandable and consistent with previous reports.

5.2./42 Communication with shareholders, stakeholders and the general public shall be governed by the principle of timely, accurate and continuous disclosure of information and activities of the company so as to give a balanced and fair view the company including its non-financial matters.

5.2./43 The Company shall ensure that shareholders have equal access to information. The Board should endeavour to establish web sites and investor-relations portals where the communication policy as well as the companies' annual reports and other relevant information about the company shall be published and made accessible to the public.

Code of Ethics

5.2./44 The Company shall have a code of ethics and statement of business practices, which should be implemented as part of the corporate governance practices of the company.

5.2./45 The Code for Directors shall contain the following:

- In accordance with legal requirements and agreed ethical standards, Directors and key executives of the company will act honestly, in good faith and in the best interests of the whole Company;
- Directors owe a fiduciary duty to the Company as a whole, and have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- They shall undertake diligent analysis of all proposals placed before the Board and act with a level of skill expected from directors and key executives of a company;
- They shall not make improper use of information acquired as Directors and key executives and not disclose non-public information except where disclosure is authorised or legally mandated;
- They shall keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- They shall not take improper advantage of the position of Director or use the position for personal gain or to compete with the company;
- They shall not take advantage of Company property or use such property for personal gain or to compete with the Company;
- They shall protect and ensure the efficient use of the Company's assets for legitimate business purposes;
- They shall not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;
- They shall make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally, towards achieving its goals;
- They shall not engage in conduct likely to bring discredit upon the company, and should encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees;

- They shall encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- They shall have an obligation, at all times, to comply with the principles of this Code.

5.2./46 The Committee shall be responsible for formulating the code of ethics and business practices. All directors, management and employees of the company should be required to abide by the codes. The Committee should monitor adherence and ensure that breaches are effectively sanctioned.

5.2./47 The Code should:

- Commit the company, its Board and management to the highest standards of professional behaviour, business conduct and sustainable business practices;
- Be developed in association with management and employees;
- Receive commitment for its implementation from the Board and the managing director/chief executive officer and individual directors of the company;
- Be sufficiently detailed as to give clear guidance to users;
- Be formally communicated to the persons to whom it applies; and
- Be reviewed regularly and updated when necessary.

Operation of the audit & compliance committee

5.2./28 The audit & compliance committee should meet not less than three times a year. It 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.

5.2./29 At least twice a year, the audit & compliance committee should meet the external and internal auditors to discuss matters relating to its terms of reference and any issues arising from the audit process, and in particular any material weaknesses in the internal control.

5.2./30 The audit & compliance committee should decide 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 external auditor should attend its meetings. The audit & compliance committee should be entitled to meet with any relevant person without any executive manager being present.

5.2./31 In addition to maintaining an effective working relationship with executive management, the internal and external auditors should be guaranteed free access to the board. To this effect, the audit & compliance committee should act as the principal point of contact for the internal and external auditors. The external auditor and the head of the internal audit team should have direct and unrestricted access to the chairman of the audit & compliance committee and the chairman of the board

Appendix D. Nomination & Remuneration Committee

5.3./1 The board should set up a Nomination & Remuneration committee composed non-executive directors or a representative selected by the board. At least a majority of its members should be independent.

5.3./2 The chairman of the board or another non-executive director should chair the committee. The CEO/MD and the HR Director must attend the meeting when dealing matters not related to executive directors

Nomination

5.3./3 The chairman of the board can be involved but should not chair the nomination committee when dealing with the designation of his successor.

5.3./4 The nomination committee should make recommendations to the board with regard to the appointment of directors, the CEO and the other members of the executive management.

Guideline The role of the nomination committee should be to ensure that the appointment and re-election process is organized objectively and professionally.

Guideline More specifically, the nomination committee should at least:

- draft appointment procedures for board members, the CEO and the other members of the executive management;
- periodically assess the size and composition of the board and make recommendations to the board with regard to any changes;
- identify and nominate, for the approval of the board, candidates to fill vacancies as they arise;
- advise on proposals for appointment originating from shareholders;
- properly consider issues related to succession planning.

5.3./5 The nomination committee should consider proposals made by relevant parties, including management and shareholders. In particular, the CEO should be entitled to submit proposals to, and be adequately consulted by, the nomination committee, especially when dealing with issues concerning executive directors or the executive management.

5.3./6 The nomination committee should meet at least twice a year and whenever it deems it necessary in order to carry out its duties. It should regularly (at least every two to three years) review its terms of reference and its own effectiveness and recommend any necessary changes to the board.

Remuneration

5.4./2 The remuneration committee should make proposals to the board on the remuneration policy for non-executive directors and executive managers, as well as, where appropriate, on the resulting proposals to be submitted by the board to the shareholders.

5.4./3 The remuneration committee should make proposals to the board regarding the remuneration of directors and executive managers, including variable remuneration and long-term incentives, whether or not stock-related, 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.

5.4./4 The remuneration committee should submit a remuneration report to the board.

5.4./5 The remuneration committee should meet at least twice a year and whenever it deems it necessary in order to carry out its duties.

5.4./6 The remuneration committee should report regularly to the board on the exercise of its duties.

5.4./7 The CEO should participate to the meetings of the remuneration committee where the committee deals with the remuneration of other executive managers.

5.4./8 The remuneration committee should regularly (at least every two to three years) review its terms of reference and its own effectiveness and recommend any necessary changes to the board.

Human Resources

5.4./9 The Board shall monitor human resources policies and their implementation which shall include human resource policies, internal management structure, relations with employees, employee share-ownership schemes and other workplace development initiatives.

5.4./10 The committee shall have the responsibility of reviewing and laying down policies for determining conditions of service of all categories of staff – Management, Senior and Junior, terms of employment of contract workers, the bonus system and an appraisal system for evaluating the performance of employees.

Investor Relationship

5.4./11 The committee shall be responsible for all matters connected with shareholders including shareholders meetings, their rights and their complaints, if any.

5.4./12 In furtherance of the investor relationship role, the Nomination & Remuneration Committee has the following duties and responsibilities:

- monitor that all shareholders are treated equally and that their rights are respected
- design a disclosure and communication policy promoting an effective dialogue with shareholders and potential shareholders.
- ensure that all necessary facilities and information to enable shareholders to exercise their rights are available.
- disclose the identity of its major shareholders in its CG Charter, together with a description of their voting rights and special control rights, and, if they act in concert, a description of the key elements of existing shareholders' agreements. The company should also disclose other direct and indirect relationships between the company and major shareholders
- make the relevant information accessible through its website in advance of general shareholders' meeting.
- The chairman of the Board conducts the general shareholders' meeting and should take the necessary measures to ensure that any relevant questions from shareholders are answered. At the general shareholders' meeting, the directors should answer questions put to them by the shareholders on their annual report or on the items on the agenda.
- Endeavour to have the controlling shareholder(s) make a considered use of its/their position and respect the rights and interests of minority shareholders.

Appendix E. Strategic & Business Development Committee

5.5./1 The board should set up a strategy & business development committee in view of providing guidance as to the long term development of the company and should take into consideration all aspects of the business (such as technical, environmental, marketing, financial, strategic aspects to name a few). This committee is to review on an annual basis the company's long term business plan.

5.5./2 The Strategic and Business Development Committee is an advisory committee of the Board of Directors.

5.5./3 The Strategic and Business Development Committee shall consist of at least 1 directors, appointed by the Board of Directors after consultation of the Nomination and Remuneration Committee. They shall be appointed for a renewable term of, in principle, 2 years, except for: (i) the Chairman of the Board of Directors; and (ii) the CEO/MD, who are ex officio members of the Committee. The Board of Directors will, to the extent that the composition of the Committee so allows, ensure a degree of continuity in the Committee by adhering to a policy of partial changeover, and may to that effect appoint some members for a shorter or longer period of time. Except for the Chairman of the Board of Directors and the CEO/MD, the members of the Committee may be removed prior to the expiration of their term by the Board of Directors.

5.5./4 Whenever appropriate in view of the matters on the agenda, the Merger and Acquisition or the Group Strategy Officer will be invited to attend meetings of the Strategic and Business Development Committee.

5.5./5 If appropriate, the Board can decide on organizing a special ad hoc Committee, dealing with a specific file, composed of the members with the experience needed for such file.

5.5./6 The Chairman of the Board of Directors should chair the Strategic and Business Development Committee.

5.5./7 Additional compensation equal to EUR (tbd) for each meeting of the Committee they attend will be paid to directors serving on the Strategic and Business Development Committee in consideration for the additional commitment and workload involved in committee duty. The Chairman of the Committee is entitled to an amount of EUR (tbd) per meeting.

5.5./8 Minutes of the meetings will be kept by the Company Secretary.

5.5./9 The Strategic and Business Development Committee's role is to assist and advise the Board of Directors on matters of general policy and strategy of the Company, as well as on major issues regarding the Company's strategic development.

5.5./10 In furtherance of its role, the Strategic and Business Development Committee has the following duties and responsibilities:

- analyze and review the yearly budget of the company.
- analyze and review the long term plan of the company.
- review envisaged acquisitions, mergers, and divestments.
- review large corporate restructuring programs.

5.5./11 Unless indicated otherwise, all duties and responsibilities listed above are carried out prior to Board discussion of the matters concerned, and are aimed at preparing Board decision-making by submitting to the Board the Committee's findings and opinions, together with such proposals or recommendations the Committee deems appropriate.

5.5./12 In the performance of the duties and responsibilities listed above, the Strategic and Business Development Committee may retain such outside counsel, experts, consultants and other advisors as it deems appropriate for the discharge of its duties. The Board of Directors specifically delegates to the Committee the authority to approve in a manner which is binding upon the Company all retention terms and conditions and sign off on all fees in connection therewith within the confines of the yearly budget awarded therefore by the Board of Directors.

5.5./13 The Company Secretary is in charge of coordinating the hiring initiatives of the various committees of the Board with a view of achieving cost efficiency and avoiding duplication of efforts. Initiatives undertaken by the Committee that exceed the annual budget should get prior approval of the Board of Directors.

5.5./14 The Strategic and Business Development Committee meets as many times as the discharge of its duties requires, and in any event twice a year. Members are expected to attend all meetings of the Committee.

5.5./15 A meeting of the Strategic and Business Development Committee is called by its Chairman. The Chairman of the Committee must call a meeting if so requested by a member of the Committee.

5.5./16 As a principle, at least 10 days notice of the Committee meeting shall be given to the members. However, the term of notice can be shortened if (i) the Chairman decides that due to unforeseen circumstances and in the interest of the Company, such shorter term of notice is required, or if (ii) all members agree to such shorter term of notice.

5.5./17 The notice specifies the time and venue of the meeting, as well as its agenda.

5.5./18 Information and data that are important to the directors' understanding of the items to be discussed at a meeting, as well as the final draft minutes of the previous meeting, should in principle be distributed in writing to each of the directors at the end of the week preceding the meeting. If however supporting material is of a highly sensitive or confidential nature, the Chairman shall see to it that no copies are distributed, but that members can look into such materials before the meeting. Members are expected to review the materials distributed in advance of the meeting. Where the subject matter is too sensitive to put in writing, the matter will be discussed at the meeting.

5.5./19 The Strategic and Business Development Committee is expected to maintain free and open communication with management. The Committee may invite to its meetings anyone whose attendance it deems useful.

5.5./20 The Chairperson is responsible for ensuring that the members receive accurate, timely and clear information. Management has an obligation to provide such information but the Committee should seek clarification or amplification where necessary. Only the Chairperson can directly communicate with management to seek additional information. Other members should ask their questions through the Chairperson.

5.5./21 The Strategic and Business Development Committee must report its decisions, findings, opinions, recommendations and/or proposals to the Board of Directors after each meeting. In addition, the Committee shall present to the Board an annual report regarding its activities. The annual report shall include a performance self-evaluation of the Committee, covering membership, scope of mandate and functioning.

5.5./22 The Strategic and Business Development Committee must at least annually review the present Charter and recommend to the Board of Directors any changes that are needed.

Appendix F. Disclosure requirements

[Numbers between brackets are references to the provisions of the Code.]

The CG Charter

9.1./1 The CG Charter should at least include:

- a description of the governance structure of the company, with the terms of reference of the board [Principle 1,1.1, 2.9];
- the policy established by the board for transactions and other contractual relationships between the company, including its related companies, and its board members and executive managers, to the extent not covered by the legal provisions on conflicts of interest [3.6] [6.8];
- the measures taken by the company in order to comply with the country rules on market abuse [3.7];
- the terms of reference of each committee [5.1];
- the terms of reference of the executive management [6.1];
- The identity of its major shareholders, with a description of their voting rights and special control rights, and, if they act in concert, a description of the key elements of existing shareholders' agreements [8.4];
- Any other direct and indirect relationships between the company and major shareholders [8.4];
- a statement that the company adopts this Code and the country Code as its reference codes [9.4].

The CG Statement

9.3./1 The CG Statement of the annual report should at least include the information set out below:

- a statement that the company adopts this Code and the country Code as its reference codes [9.4];
- in the event that the company does not fully comply with this Code, an indication of the provisions of this Code that were not complied with during the year and an explanation of its reasons for non compliance [9.4];
- a description of the main features of the company's internal control and risk management systems [1.3];
- a description of the composition and operation of the board and its committees including, at least:
 - a list of the members of the board indicating which directors are independent [2.1] [2.4];
 - information on any directors who have ceased to satisfy the requirements of independence [2.4];
 - an activity report on board and board committees meetings including the number of board and board committee meetings and the individual attendance records of directors [2.8];
 - a list of the members of the board's committees [5.1] [5.2] [5.3] [5.4];
 - if applicable, the reasons why the appointment of the former CEO as chairman is in the best interest of the company [4.7]; and
 - a list of the members of the executive management [6.2];
- comments on the application of the policy established by the board for transactions and other contractual relationships between the company, including its related companies, and its board members and executive managers, to the extent not covered by the legal provisions on conflicts of interest [3.6] [6.8];
- information on the main features of the process for evaluating the board, its committees and its individual directors [4.15];
- key features of any incentives granted in shares, options or any other right to acquire shares as approved by, or submitted to, the general shareholders' meeting [7.13].

9.3./2. The CG Statement should also include a remuneration report which contains at least the information set out below [7.2]:

- a description of the procedure adopted for the applicable financial reported year for (i) developing a remuneration policy for non-executive directors and executive managers and (ii) setting the level of remuneration for non-executive directors and executive managers [7.3];

- a statement of the company's remuneration policy for executive managers, as applicable for the financial reported year at least reporting the following information [7.4]:

(a) the principles on which the remuneration is based with an indication of the link between remuneration and performance;

(b) the relative importance of the various components of the remuneration;

(c) the characteristics of any performance bonus in shares, share options or any other rights to acquire shares;

(d) any significant changes to the remuneration policy occurred since the end of the financial reported year;

- on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly by the company or its subsidiaries, to each non-executive director [7.8];

- if an executive manager is also a member of the board, information on the amount of remuneration he receives in such capacity [7.10];

- if the 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 duration of the evaluation. This information should be provided in such a way that it does not disclose any confidential information regarding the company's strategy [7.12];

- the amount of the remuneration and other benefits granted directly or indirectly to the CEO by the company or its subsidiaries. This information should be disclosed providing a split between:

(a) basic remuneration;

(b) variable remuneration: for all incentives, indicating the form in which this variable remuneration is paid;

(c) pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and

(d) other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components. if the company has materially deviated from its remuneration policy during the financial reported year, this should be explained [7.14];

- on a global basis, 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. This information should be disclosed providing a split between:

(a) basic remuneration;

(b) variable remuneration: for all incentives, indicating the form in which this variable remuneration is paid;

(c) pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and

(d) other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components. if the company has materially deviated from its remuneration policy during the financial reported year, this should be explained [7.15];

- for each executive manager, specified on an individual basis, the number and key features of shares, share options or any other rights to acquire shares, granted, exercised or lapsed during the financial reported year [7.16];

- if the appointment contract of the CEO or any other executive manager provides for a severance pay exceeding 12 months' basic and variable remuneration without exceeding 18 months', a specification of when such higher severance pay could be paid and justification of this higher severance pay, on an individual basis [7.18].