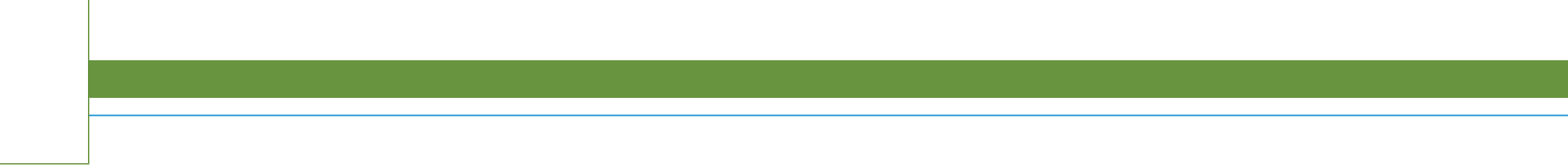


THE BELGIAN CODE ON CORPORATE GOVERNANCE

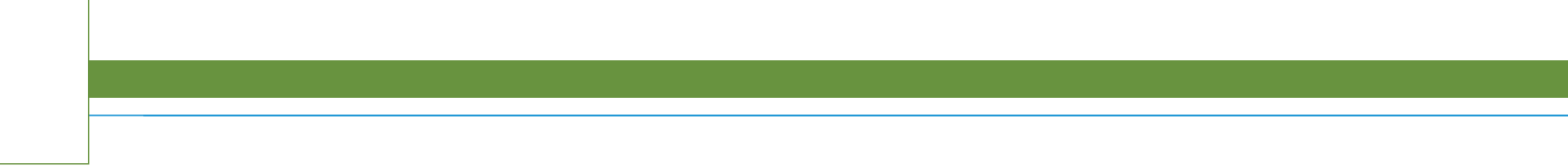
9 December 2004



THE BELGIAN CODE ON CORPORATE GOVERNANCE

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FOREWORD

Our companies face a challenging environment characterised by significant change, such as the globalisation of markets, the modernisation of communication technologies and the enlargement of the EU, to name but a few. In such an environment, companies should benefit from a regulatory framework that encourages efficiency and competitiveness while fostering sound and transparent corporate governance practices.

It is with that aim in mind that the European Commission launched in 2003 its Action Plan on 'Modernising Company Law and Enhancing Corporate Governance in the European Union' (hereinafter "EU Action Plan"). The Plan is currently being implemented by the EU Commission through various legal initiatives aimed at improving governance and strengthening shareholders' rights. In Belgium, there were three separate sets of rules drawn up by different authorities, in need of updating and consolidation.

In this context, at the initiative of the Banking, Finance and Insurance Commission (BFIC), Euronext Brussels and the Federation of Belgian Enterprises (FEB-VBO), a Committee was established to draft a single code of best practice on corporate governance for all listed companies. The Committee's aim was to draft a Code aligned with international practice and EU recommendations.

On 18 June 2004, a first draft was published for consultation on the Committee's website. The public consultation was a success. The comments received, together with recent EU Commission initiatives, helped the Committee to finalise the Code published on 9 December 2004.

The Code has a high degree of built-in flexibility, enabling it to be adapted to each company's varying size, activities and culture. It is based on a 'comply or explain' system, which allows companies to deviate from the provisions of the Code when their specificities so justify, subject to providing adequate explanation.

In line with the EU Action Plan, the government must designate a national corporate governance code. In this respect, the Committee recommends that Belgian authorities consider designating this Code as the Belgian code of reference.

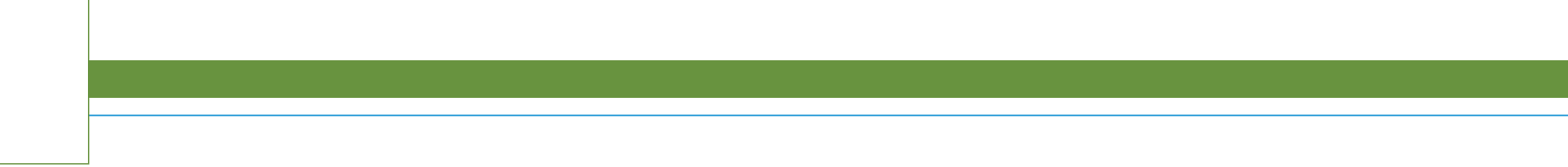
Monitoring of compliance with the Code will rely on shareholders and market authorities, and may involve other mechanisms.

The Committee believes that the Code should lend itself to revision in the future in order to take account of the experience gained and the changes in legal and business practices. Therefore, the Committee will endeavour to have proper follow-up in place.

In the name of the Committee, I wish to thank all those who contributed to this Code for their help.



Maurice Lippens



1 What is good corporate governance?

Corporate governance is a set of rules and behaviours according to which, companies are managed and controlled. A good corporate governance model will achieve its goal by setting a proper balance between entrepreneurship and control, as well as between performance and conformance.

For **entrepreneurship**, corporate governance rules should not only facilitate performance-driven direction, but should also provide mechanisms for direction and leadership while ensuring 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 attained and how performance is to be evaluated. In this sense, corporate governance should provide incentives for the board and management to pursue objectives that are in the interest of the company, its shareholders and other stakeholders.

Control means effective evaluation of performance, careful management of potential risks, and proper supervision of conformity with agreed procedures and processes.

Here, the emphasis is on monitoring whether robust control systems are effectively in operation, whether potential conflicts of interest are managed and whether sufficient checks are in place to prevent abuse of power leading to private benefits prevailing over corporate benefits.

2 Main aim of the Code

This Code's main objective is to support long-term value creation. Business success demonstrates that good governance leads to creation of wealth, not only for shareholders but also for all other stakeholders. Recent examples of corporate malpractice, however, have shown that failing corporate governance may lead to significant losses well beyond the loss of shareholder capital.

Governance practices, based on transparency and accountability, will reinforce the confidence of investors in companies and will benefit other stakeholders. Good governance will enable companies to access external funding at a lower cost. Good corporate governance will also bring macro-economic advantages, such as improving economic efficiency and growth, and protecting private investments.

3 Reference context of the Code

This Corporate Governance Code has to be seen as complementary to existing Belgian legislation; no provision of the Code may be interpreted as derogating from Belgian law.

In formulating the Code, the Committee based itself on the existing Belgian legislation applicable to companies, in particular the provisions of the Belgian Code on Companies and financial law applicable to listed companies.

In developing the Code, the Committee also paid great attention to the European Commission's recent initiatives in the field of corporate governance, more specifically those implementing the Commission's plan adopted in 2003 ('Modernising Company Law and Enhancing Corporate Governance in the European Union').

The Code has been drawn up with the 'one-tier board' model in mind and other Belgian specificities such as their shareholding structure. That choice is justified by the current practice in Belgium.

4 Structure, content and character of the Code

The Committee has opted for a flexible approach based on a 'comply or explain' system. The 'comply or explain' approach has been in operation in several countries for many years and the flexibility it offers has been widely welcomed by both company boards and investors. This approach is also favoured by the OECD and the European Commission.

Indeed, the strict and rigid application of a detailed set of rules would not allow the taking into account of companies' specificities, such as size, shareholding structure, activities, exposure to risks and management structure. A code based on a rigid approach would therefore be unlikely to be followed by the companies at which it is aimed.

The Code contains three sets of rules: **principles**, **provisions** and **guidelines**.

The Committee has formulated nine **principles** that in its opinion form the pillars on which good corporate governance should rest. The principles are broad enough for all companies to be able to adhere to them, whatever their specificities. All companies should apply them without exception.

Provisions (some of which are further substantiated in 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. Indeed, while it is expected that listed companies will comply with the Code's provisions most of the time, it is recognised that departure from the provisions of the Code may be justified in particular circumstances. Smaller listed companies, in particular those new to listing, as well as young growth companies, may judge that some provisions are disproportionate or less relevant in their case. Also, holding companies and investment companies may need a different board structure, which may affect the relevance of some provisions. In those cases, companies should determine what they consider to be the best rules in their specific situation and provide an explanation ('explain') in the Corporate Governance Chapter of the annual report.

The provisions are supplemented with **guidelines**, which provide guidance as to how the company should implement or interpret the provisions laid down in the Code. Most guidelines are qualitative and do not lend themselves to assessment in terms of compliance. The obligation to comply or explain does not therefore apply to those guidelines.

5 Disclosure

Disclosure, leading to transparency, is an essential ingredient of the Code. Indeed, disclosure is crucial to allow outside monitoring to function effectively. Hence the Codes' provisions aim at putting in place a high level of transparency concerning companies' corporate governance.

Transparency is obtained through disclosure in two different documents; the **Corporate Governance Charter**, posted on a company's website, and the **Corporate Governance Chapter** of the annual report.

In the Corporate Governance Charter, the company will describe the main aspects of its corporate governance, such as its governance structure, the terms of reference of the board and its committees and other important topics (e.g. remuneration policy). The Corporate Governance Charter should be updated regularly.

The Corporate Governance Chapter of the annual report should include more factual information relating to corporate governance, including changes to the company's corporate governance together with relevant events that took place during the year under review, such as appointment of new directors, designation of committee members, or the annual remuneration received by members of the board.

6 Monitoring & Compliance

Unlike in some neighbouring countries, Belgian listed companies are often controlled by one or more major shareholders. Therefore, one cannot rely on market monitoring alone to guarantee adequate compliance with the Code by listed companies. Hence, the Committee has opted for a combined monitoring system relying on the board, the company's shareholders and the Banking, Finance and Insurance Commission (BFIC), possibly complemented with other 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 corporate interest, it is important that the board is composed of both executive and non-executive directors, including independent non-executive directors. All directors should demonstrate independence of judgement, and objectivity in making board decisions but the independent directors will have a crucial role to play in that respect. It is the board's responsibility to see to the accuracy and completeness of the Corporate Governance Charter and Corporate Governance Chapter of the annual report.

- Shareholders

Given the reliance of the Code on a flexible 'comply or explain' approach, shareholders, and in particular institutional investors, should play an important role in carefully evaluating a company's corporate governance and should give weight to all relevant factors drawn to their attention.

Shareholders should carefully consider explanations given for deviations from the Code and make reasoned judgments 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.

- BFIC

The Banking Finance and Insurance Commission (BFIC) acting within its mission of supervision of the periodic and ongoing information obligations of listed companies, as laid down in the law of August 2, 2002, will contribute to the external monitoring of the Code. It will lend its moral support to the implementation of the disclosure provisions which the Code addresses to Belgian listed companies, in addition to the obligations imposed by the applicable laws and regulations.

The existence and the acceptance by the Belgian financial world of a single Code on corporate governance (initiated by FEB and Euronext Brussels) will contribute to the reinforcement of the Belgian financial market and the confidence of the investors.

As was the case with its 1998 Recommendations, the BFIC recommends listed companies to disclose relevant information about their corporate governance rules and practices in accordance with the provisions of the Code. It is up to the listed companies to determine whether they comply with the Code's provisions, or explain their reasons for non compliance. In case, contrary to Principle 9 and Appendix F, no disclosure about a specific item as identified in the Code has been made, the BFIC intends, within the framework of its control program, to draw the attention of the listed company to that fact and invite it to disclose, as the case may be, the reasons for not complying with the

specific Code's provision. The BFIC's role is limited to verifying the observance of the "comply or explain" principle, and to invite companies to live up to it. Moreover, the BFIC intends to publish, from time to time, general comparative overviews of corporate governance practices in Belgian listed companies.

However, with respect to the disclosure items that are imposed pursuant to the applicable laws or regulations - whether or not said items are part of the Code - the BFIC's competences, including its powers to impose sanctions, remain unchanged. Its role in the external monitoring the Code does not alter its legally mandated supervisory responsibility.

7 Follow-up

The Committee also feels that what constitutes good corporate governance will evolve with changing business circumstances and international financial markets requirements. It will therefore be important to ensure a regular review of corporate governance practices and the adaptation of the recommendations. This will require the setting up of an appropriate mechanism.

At the invitation of Parliament, the Committee will continue to reflect, with the Government, on the most suitable follow-up of this Code. Meanwhile, the Committee will remain active for a transitional period.

8 Scope of application and entry into force

The Code applies to companies incorporated in Belgium whose shares are traded on a regulated market (listed companies). However, given its flexibility, the Code could also function as a reference framework for all other companies.

The Code replaces the existing Belgian codes on corporate governance for Belgian listed companies i.e. the 'Recommendations from the Federation of Belgian Companies' published in January 1998 and the Recommendations issued in December 1998 by the Brussels Stock Exchange (now Euronext Brussels) and the Banking and Finance Commission (now BFIC).

This Code enters into force on 1 January 2005. At the general meeting held in 2005, corporate governance should be an item on the agenda for information and consideration. Where possible, there could already be a statement in the annual report for the year 2004, published in 2005, to that effect.

As from 1 January 2006, listed companies should have made public a Corporate Governance Charter, outlining their corporate governance structure and policies.

In the annual report for the year 2005, published in 2006, listed companies will be expected to devote a specific chapter to corporate governance, describing their governance practices during that year and including explanations, where applicable, on deviations from the Code.

THE CORPORATE GOVERNANCE PRINCIPLES

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 is the board's duty to define its terms of reference detailing its responsibilities, duties, composition and operation, within the limits defined by the articles of association of the company.

Guideline The board should be organised in such a way that it is able 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 financial and human resources are in place for the company to meet its objectives.

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

- 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 of the company's financial statements;
- review executive management performance;
- supervise the performance of the external auditor and supervise the internal audit function.

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

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

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

PRINCIPLE 2. THE COMPANY SHALL HAVE AN EFFECTIVE AND EFFICIENT BOARD TAKING 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 the necessary diversity and complementary skills, experience and knowledge. A list of the members of the board should be disclosed in the Corporate Governance Chapter of the annual report (hereinafter "CG Chapter of the annual report").

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. At least half the board should comprise non-executive directors and at least three of them should be independent.

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

2.3. To be considered independent, a director should be free from any business, close family or other relationship with the company, its controlling shareholders or the management of either that creates a conflict of interest such as to affect that director's independent judgement.

Guideline A controlling shareholder is a shareholder who solely or in concert, directly or indirectly controls a company in the meaning of Article 5 of the Code on Companies.

In assessing independence, the criteria set out in appendix A should be taken into account.

The company should disclose which directors it considers to be independent. If one or more of the criteria in appendix A are not met, the company should disclose its reasons for nevertheless considering this director to be independent.

An independent director who ceases to satisfy the requirements of independence should immediately inform the board.

2.4. 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.

2.5. 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.

2.6. 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.

2.7. The number of board and board committee meetings and the individual attendance record of directors should be disclosed in the CG Chapter of the annual report.

Guideline The board should meet sufficiently regularly to discharge its duties effectively.

2.8. The board should appoint a company secretary reporting to the board on how board procedures, rules and regulations are followed and complied with. Where necessary, the company secretary should be assisted by the company lawyer. Individual directors should have access to the company secretary.

PRINCIPLE 3. ALL DIRECTORS SHALL DEMONSTRATE INTEGRITY AND COMMITMENT

3.1. Independence of judgement 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 strong command 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 have each 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 executive management.

Guideline Non-executive directors should scrutinise the performance of 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 with caution the confidential information received in their capacity as director.

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. 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 Chapter of the annual report. Transactions between the company and its board members should take place at arms' length.

3.7. The company should take all necessary and useful measures to comply with Directive 2003/6/EC on insider dealing and market manipulation (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-election of directors. The board should draw up nomination procedures and selection criteria for board members, allowing for 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 meeting of shareholders.

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 résumé (CV), the assessment of the candidate based on the candidate's initial interview, a list of the positions the candidate currently holds, and, if applicable, the necessary information for assessing 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 shareholders' meeting should be accompanied by a recommendation from the board, based on the advice of the nomination committee.

The proposal should specify the proposed term of the mandate, which should not exceed four years. 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 whether the candidate satisfies the independence criteria.

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

This provision also applies to proposals for appointment originating from shareholders.

4.7. The board should designate its chairman.

Induction

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

Guideline The induction process should help the director grasp the fundamentals of the company, including its governance, strategy, key policies, finance and business challenges.

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 committee members, this programme should cover the audit 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 accounting, financial and operational 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 fulfil their role both on the board and on board committees.

Guideline Necessary resources should be available for developing and updating 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, operation and interaction with 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 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;
- checking the board's current composition against the board'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) assess their interaction with executive management. In this respect, non-executive directors should meet at least once a year in 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 recognising its strengths and addressing its weaknesses. Where appropriate, this will involve proposing new members for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the board.

Guideline The board should satisfy itself that plans are in place for orderly succession for 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.

PRINCIPLE 5. THE BOARD SHALL SET UP SPECIALISED COMMITTEES

5.1. The board should set up specialised committees to analyse 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 in the CG Charter the terms of reference of each committee detailing its role, composition and operation.

5.2. The board should set up an audit committee to assist the board in fulfilling its monitoring responsibilities in respect of control in the broadest sense. The audit committee should follow the provisions set out in appendix C.

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

5.4. The board should set up a remuneration committee following the provisions set out in appendix E.

Guideline The nomination committee and the remuneration committee may be combined provided the combined committee satisfies the composition requirements for the remuneration committee.

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. Designation 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 informing the chairman of the board.

5.7. After each committee meeting, the board shall receive from each committee a report 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. Executive management should at least include all executive directors. If there exists a management committee, executive management also includes all members of that committee, whether or not the committee is established within the scope of Article 524bis of the Code on Companies. A list of the members of the executive management should be disclosed in the CG Chapter of the annual report.

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

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

6.5. Executive management should :

- 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;
- be responsible and accountable for the complete, timely, reliable and accurate preparation of the company's financial statements, in accordance with the accounting standards and policies of the company;
- 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 accountable to the board for the discharge of its responsibilities.

6.6. Clear procedures should exist for:

- proposals from executive management for decisions to be made by the board;
- the decision-making by executive management;
- the reporting to the board of key decisions made by executive management.

These procedures should be reviewed and adjusted when required for the effective exercise by the board and 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 entrusted executive management with the running of the company and the relevant provisions of the Code on Companies. All concerned should be fully acquainted with the scope of those powers.

6.7. Provision 3.6. applicable to transactions between the company and directors also applies to transactions between the company and executive managers.

6.8. Provision 3.7. applicable to transactions between the company and directors also applies to transactions between the company and 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.

7.2. The company should disclose its remuneration policy in its CG Charter.

Non-executive directors' remuneration

7.3. The remuneration of non-executive directors should take into account their responsibilities and time commitment.

7.4. 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.

Guideline Under Belgian law, any director's mandate may be terminated "ad nutum" (at any time) without any form of compensation.

7.5. In the CG Chapter of the annual report, the company should disclose on an individual basis the amount of the remuneration and other benefits granted directly or indirectly to non-executive directors, by the company or any other undertaking belonging to the same group.

Executive directors' remuneration

7.6. Provisions on the remuneration of non-executive directors apply to the remuneration of executive directors in their capacity as board members.

7.7. Provisions on the remuneration of executive managers apply to the remuneration of executive directors in their executive capacity.

Executive managers' remuneration

7.8. The board should determine formal and transparent procedures on the remuneration of executive managers. No individual should be involved in deciding his or her own remuneration.

7.9. The board determines the remuneration policy for executive managers.

Guideline 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 an executive director, the remuneration should be determined taking into account the compensation received in that person's capacity as a board member.

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' interest with the interest of the company and its shareholders.

7.12. Where executive managers are eligible for incentives, their grant should be subject to relevant and objective performance conditions designed to enhance corporate value. Evaluation and review procedures for executive managers' performance should be established.

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 annual general meeting. The approval should relate to the scheme itself and not to the grant to individuals of share-based benefits under the scheme.

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

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

7.15. In the CG Chapter of the annual report, the company should disclose, on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the company or any other undertaking belonging to the same group. This information should be disclosed with a split between:

- basic remuneration;
- variable remuneration: any incentive relating to the financial reported year;
- other components of the remuneration, such as cost of pension, insurance coverage, monetary value of other fringe benefits, with an explanation and, if appropriate, the amounts of the main components.

7.16. In the CG Chapter of the annual report, the company should disclose, on a global basis, the amount of the remuneration and other benefits granted directly or indirectly to the other members of executive management, by the company or any other undertaking belonging to the same group. This information should be disclosed with a split between:

- basic remuneration;
- variable remuneration: any incentive relating to the financial reported year;
- other components of the remuneration, such as cost of pension, insurance coverage, monetary value of other fringe benefits, with an explanation and, if appropriate, the amounts of the main components.

7.17. For the CEO and the other executive managers, the CG Chapter of the annual report should disclose, on an individual basis, the number and key features of shares, share options or any other right to acquire shares, granted during the year.

7.18. The company should disclose in the CG Chapter of the annual report the main contractual terms of hiring and termination arrangements with executive managers.

Guideline Compensation commitments in the event of early termination should be carefully considered. The aim should be to avoid rewarding poor performance.

PRINCIPLE 8. THE COMPANY SHALL RESPECT THE RIGHTS OF ALL SHAREHOLDERS AND ENCOURAGE THEIR PARTICIPATION

Shareholders' information

8.1. The company should treat all shareholders equally. It should ensure that all necessary facilities and information to enable shareholders to exercise their rights are available.

Guideline The company should enter into a dialogue with shareholders based on the mutual understanding of objectives and concerns.

8.2. 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.

8.3. The articles of association and the CG Charter should be available at any time.

8.4. The company should disclose in its CG Charter its shareholding and control structure and any cross-shareholdings exceeding 5% of the shareholdings or voting rights, insofar as it is aware of them, and as soon as it has received the relevant information.

8.5. The company should disclose in its CG Charter 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. The company should also disclose other direct and indirect relationships between the company and major shareholders.

Shareholders' meetings

8.6. The shareholders' meeting should be used to communicate with shareholders and to encourage their participation. 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 the specificities of the exercise of rights by non-resident shareholders. Within the given existing framework, the company should consider whether modern technology could offer solutions to some practical issues and whether an appropriate approach could be developed in this respect.

Guideline Alone or together with other listed companies, the company should discuss with financial intermediaries methods of increasing participation at the general shareholders' meeting.

8.7. The company should make the relevant information accessible through electronic means in advance of general meetings.

8.8. When 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.

8.9. 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.

8.10. The chairman should take the necessary measures for relevant questions from shareholders to be answered. At the general 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 cause a material prejudice to the company, its shareholders or its employees.

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

Companies with one or more controlling shareholder(s)

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

Investors

8.13. Given the reliance on market monitoring to enforce the flexible 'comply or explain' approach of this Code, the board should encourage investors, and in particular institutional investors, to play an important role in carefully evaluating a company's corporate governance. The board should endeavour to have institutional and other investors give weight to all relevant factors drawn to their attention.

Guideline The chairman should ask institutional investors explanations on their voting behaviour.

8.14. The board should endeavour to have investors carefully consider explanations given for departure from this Code and have them be able to make reasoned judgements in each case. The board should engage in a dialogue with investors if those investors 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.
- 9.2.** The company should state in its CG Charter that it follows the Corporate Governance Principles laid down in this Code.
- 9.3.** The CG Charter should be updated as often as needed to reflect the company's corporate governance at any time. It should be available on the company's website specifying the date of the most recent update.
- 9.4.** The company should establish a CG Chapter in its annual report describing all relevant corporate governance events that took place during the year under review. That document should include at least the elements listed in the provisions of Appendix F. If the company does not fully comply with one or more provisions of this Code, it should explain why in the CG Chapter of its annual report.
- 9.5.** Whenever a price sensitive information or information relating to changes in the shareholders' rights occur in relation to corporate governance, the company should disclose it immediately.

Guideline Price sensitive information or information relating to changes in the shareholders' rights must be understood within the meaning of Article 6, §1 of the Royal Decree of 31 March 2003 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market.



APPENDIX A. CRITERIA OF INDEPENDENCE

2.3./1. The assessment of independence should be made taking into account the following criteria:

- not being an executive or managing director of the company or an associated company, and not having been in such a position for the previous three years;
- not being an employee of the company or an associated company, and not having been in such a position for the previous three years;
- not receiving, or having received, significant additional remuneration from the company or an associated company apart from a fee received as non-executive director;
- not being a controlling shareholder or a shareholder with a shareholding of more than 10%, or a director or executive officer of such a shareholder;
- not having, or having had within the last year, a significant business relationship with the company or an associated company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship;
- 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 an associated company;
- not being an executive or managing director of another company in which an executive or managing director of the company is a non-executive or managing director, and not having other significant links with executive directors of the company through involvement in other companies or bodies;
- not having served on the board as a non-executive director for more than three terms.
- not being a close family member of an executive or managing director or of persons in the situations described above.

2.3./2. Whenever legally required the Company should apply the criteria laid down in Article 524 of the Code on Companies.

APPENDIX B. TRANSACTIONS IN SHARES AND COMPLIANCE WITH DIRECTIVE 2003/6/EC ON INSIDER DEALING AND MARKET MANIPULATION (MARKET ABUSE)

3.7./1. The board shall draw up a set of rules (the “rules”) regulating the declaration and conduct obligations regarding transactions in shares or other financial instruments of the company (the “company stock”) carried out by directors and other designated persons for their own account. The rules should specify which information regarding those transactions should be disclosed to the market.

Guideline The rules shall set limitations on the carrying out of transactions in the company stock for a designated period preceding the announcement of its financial results (“closed periods”) or in any other period considered sensitive (“prohibited periods”).

Guideline The board shall make sure that a compliance officer is designated, who will have the duties and responsibilities assigned by the rules. The compliance officer shall inter alia monitor the directors' and other designated persons' compliance with the rules.

Guideline The rules shall provide that before any transaction in the company stock, a director shall inform the compliance officer about the transaction he or she intends to carry out.

Guideline If the board member carries out a transaction in company stock and the compliance officer has been informed, the transaction shall be made public according to the rules.

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

APPENDIX C. AUDIT COMMITTEE

5.2./1. The board should set up an audit committee composed exclusively of non-executive directors. At least a majority of its members should be independent. The chairman of the board should not chair the audit committee. The board should satisfy itself that the committee has sufficient relevant expertise to fulfil its role effectively, notably in financial matters.

5.2./2. The board should determine the role of the audit committee. The audit committee should 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 to the steps to be taken.

5.2./3. Parent companies should ensure that the audit review and the reporting on that review cover the group as a whole.

Financial reporting

5.2./4. The audit committee should monitor the integrity of the financial information provided by the company, in particular by reviewing 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 involves 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 committee.

5.2./5. Management should inform the audit 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 centres and/or through special purpose vehicles.

5.2./6. The committee should discuss significant financial reporting issues with both executive management and the external auditor.

Internal controls and risk management

5.2./7. At least once a year, the audit committee should review the internal control and risk management systems set up by executive management, with a view to ensuring that the main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed and disclosed.

5.2./8. The audit committee should review the statements included in the annual report on internal control and risk management.

5.2./9. The audit committee should review the specific arrangements made, by which staff of the company may, in confidence, 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 committee directly.

Internal audit process

5.2./10. 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./11. The audit committee should review the internal auditor's work programme, 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./12. The audit committee should review the effectiveness of the internal audit. In particular, it should make recommendations on the selection, appointment, reappointment and removal of the head of internal audit and on the budget allocated to internal audit, and should monitor the responsiveness of management to the committee's findings and recommendations.

External audit process

5.2./13. The audit committee should make recommendations to the board on the selection, appointment and reappointment of the external auditor and the terms of his or her engagement. In accordance with the Code on Companies, this proposal should be submitted to the shareholders for approval.

5.2./14. The audit committee should monitor the external auditor's independence, in particular in view of the provisions of the Code on Companies and the Royal Decree of 4 April 2003. The committee should obtain a report from the external auditor describing all relationships between the independent auditor and the company and its group.

5.2./15. The audit committee should also keep the nature and extent of non-audit services under review. The committee should set and apply a formal policy specifying the types of non-audit services a) excluded, b) permissible after review by the committee, and c) permissible without referral to the committee, taking into account the specific requirements under the Code on Companies.

5.2./16. The audit committee should be informed of the external auditor's work programme. The committee should obtain timely information about any issues arising from the audit.

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

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

Operation of the audit committee

5.2./19. The audit committee should meet at least three times a year. It should review annually its terms of reference and its own effectiveness and recommend any necessary changes to the board.

5.2./20. At least twice a year, the audit 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.

5.2./21. The audit 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 the external auditor should attend its meetings. The committee should be entitled to meet with any relevant person without any executive manager present.

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

APPENDIX D. NOMINATION COMMITTEE

5.3./1. The board should set up a nomination committee composed of a majority of independent non-executive directors.

5.3./2. The chairman of the board or another non-executive director should chair the committee.

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 or her successor.

5.3./4. The nomination committee should make recommendations to the board with regard to the appointment of directors.

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

Guideline More specifically, the nomination committee should:

- draft appointment procedures for board members;
- 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 adequately consulted by the nomination committee, especially when dealing with issues related to executive directors or executive management.

5.3./6. The nomination committee should meet at least twice a year and every time it deems necessary to carry out its duties.

APPENDIX E. REMUNERATION COMMITTEE

5.4./1. The board should set up a remuneration committee composed exclusively of non-executive directors. At least a majority of its members should be independent. The chairman or another non-executive director should chair the committee.

5.4./2. The CEO should participate to the meetings in the remuneration committee when it deals with the remuneration of other executive managers.

5.4./3. The remuneration committee should make proposals to the board on the remuneration policy for non-executive directors and the resulting proposals to be submitted to the shareholders, and the remuneration policy for executive management.

5.4./4. The remuneration policy for executive management should include at least:

- the main contractual terms including the main characteristics of pension schemes and termination arrangements;
- the key elements for determining the remuneration, including
 - the relative importance of each component of the remuneration;
 - the performance criteria chosen for the variable elements;
 - the fringe benefits.

5.4./5. The remuneration committee should make recommendations on individual remuneration of directors and executive managers, including on bonuses and long-term incentives, whether stock-related or not, in the form of stock options or other financial instruments.

5.4./6. The remuneration committee should meet at least twice a year and every time it deems necessary to carry out its duties.

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 [1.1.];
- 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, which are not covered by the legal provisions on conflicts of interest [3.6.] [6.7.];
- the measures taken by the company in order to comply with Directive 2003/6/EC on insider dealing and market manipulation (market abuse) [3.7.] [6.8.] ;
- the terms of reference of each committee [5.1.];
- the terms of reference of executive management [6.1.];
- the remuneration policy [7.2.];
- the shareholding and control structure of the company and any cross-shareholdings exceeding 5% of the shareholdings or voting rights, insofar as it is aware of them, and as soon as it has received the relevant information [8.4.];
- 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 [8.5.];
- any other direct and indirect relationships between the company and major shareholders [8.5.].

The CG Chapter of the annual report

9.4./1. The CG chapter of the annual report should at least include:

- a list of the members of the board indicating which directors are independent [2.1.] [2.3.];
- a list of the members of the board committees [5.1.] [5.2.] [5.3.] [5.4.];
- a presentation of each new director including a justification when the director is deemed to be independent [2.3.];
- information on directors who have ceased to satisfy the requirements of independence [2.3.];
- an activity report on board and board committees meetings including the number of meetings and the individual attendance record of directors [2.7.];

- 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, which are not covered by the legal provisions on conflicts of interest [3.6.] [6.7.];
- comments on the application of the measures taken by the company in order to comply with Directive 2003/6/EC on insider dealing and market manipulation (market abuse) [3.7.] [6.8.];
- a list of the members of the executive management [6.2.];
- on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly to non-executive directors, by the company or any other undertaking belonging to the same group [7.5.];
- on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the company or any other undertaking belonging to the same group. This information should be disclosed with a split between:
 - basic remuneration;
 - variable remuneration: any incentive relating to the financial reported year;
 - other components of the remuneration, such as cost of pension, insurance coverage, monetary value of other fringe benefits, with an explanation and, if appropriate, the amounts of the main components [7.15.];
- on a global basis, the amount of the remuneration and other benefits granted directly or indirectly to the other members of executive management, by the company or any other undertaking belonging to the same group. This information should be disclosed with a split between:
 - basic remuneration;
 - variable remuneration: any incentive relating to the financial reported year;
 - other components of the remuneration, such as cost of pension, insurance coverage, monetary value of other fringe benefits, with an explanation and, if appropriate, the amounts of the main components [7.16.];
- if some members of executive management are also board members, full and detailed information on the amount of the remuneration they receive in such capacity [7.6.];
- for the CEO and the other members of the executive management, on an individual basis, the number and key features of shares, share options or any other right to acquire shares, granted during the year [7.17.];
- the main contractual terms on hiring and termination arrangements for executive managers [7.18.];
- if any, provisions of the Code that were not complied with during the year and explanation of the reasons for non compliance [9.4.]. ■

COMPOSITION OF THE CORPORATE GOVERNANCE COMMITTEE

The Committee is composed of

President

Maurice Lippens

- o Chairman of the Board, Fortis
- o Director, Total
- o Director, GBL

Members

Olivier Lefebvre

- o Executive Vice-President, Member of the Managing Board, Euronext N.V.

Luc Vansteenkiste

- o Chairman, Federation of Enterprises in Belgium
- o Managing Director, Recticel
- o Chairman, Spector Photo Group

Eddy Wymeersch

- o Chairman, Banking, Finance and Insurance Commission
- o Professor, Law Faculty, Ghent University

Marco Becht

- o Executive Director, European Corporate Governance Institute
- o Professor of Finance and Economics, Ecares, Université Libre de Bruxelles
- o Director, Foundation of Directors

Pierre-Olivier Beckers

- o Managing Director, Chairman of the Executive Committee, Delhaize Group
- o Chairman, International Retail Association
- o Director, Belgian Olympic Interfederal Committee

Didier Bellens

- o President and Chief Executive Officer, Belgacom

Karel Boone

- o Managing Director, Lotus Bakeries
- o Director, UCB
- o Director, AXA Belgium

Daniel Janssen

- o Chairman of the Board, Solvay

Axel Miller

- o Chairman of the Management Committee, Dexia Bank
- o Member of the Management Board, Dexia

Emiel Van Broekhoven

- o Professor, University of Antwerp
- o Chairman, Vlaamse Federatie van Beleggingsclubs en Beleggers vzw

Hugo Vandamme

- o Chairman of the Listed Companies Committee, Federation of Enterprises in Belgium
- o Chairman of the Board, Roularta
- o Deputy-Chairman of the Board, Barco

Lutgart Van den Berghe

- o Executive Director, Belgian Directors' Institute
- o Extraordinary professor Corporate Governance, Ghent University and Vlerick Leuven Gent Management School
- o Member of the Raad van Commissarissen, csn
- o Director, Electrabel and Belgacom

Secretary

Philippe Lambrecht

- o General Secretary, Federation of Enterprises in Belgium

Deputy Secretary

Michel van Pée

- o General Secretary, Fortis

For the drawing up of the Code, the Committee was assisted by:

Christine Darville, Company Lawyer

Patricia Fosselard, Member of the Brussels' Bar

Tom Baelden, Researcher

Frédéric de Laminne, Director Euronext Brussels

Kristof Macours, Company Lawyer

The Committee also expresses his gratitude to those who advised it on specific topics. ■

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THE CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1. THE COMPANY SHALL ADOPT A CLEAR GOVERNANCE STRUCTURE

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

PRINCIPLE 3. ALL DIRECTORS SHALL DEMONSTRATE INTEGRITY AND COMMITMENT

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

PRINCIPLE 5. THE BOARD SHALL SET UP SPECIALISED COMMITTEES

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

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

PRINCIPLE 8. THE COMPANY SHALL RESPECT THE RIGHTS OF ALL SHAREHOLDERS AND ENCOURAGE THEIR PARTICIPATION

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