

The 2009 Belgian Code on Corporate Governance

IMPLEMENTATION GUIDELINES ON REMUNERATION

***STANDARD PRESENTATION OF REMUNERATION EARNED BY NON-EXECUTIVE DIRECTORS
AND EXECUTIVE MANAGERS OF COMPANIES WHOSE SHARES CAN BE TRADED ON A
REGULATED MARKET***

DISCLOSURE REQUIREMENTS OF THE 2009 CORPORATE GOVERNANCE CODE:

- PRINCIPLE 7 AND APPENDIX F -

Principle 7 of the Belgian Corporate Governance Code contains a series of recommendations on remuneration of directors and executive managers. **Annex F** on publication requirements outlines the information that must be mentioned in the Corporate Governance Statement (9.3/2).

With a view to making it easier to present information on remuneration received by managers of listed companies, the Corporate Governance Committee has drawn up implementation guidelines covering the main recommendations.

These guidelines were created to help listed companies to implement the Code's recommendations on remuneration. They can therefore be adapted according to the size – or other characteristics – of the listed company.

It is important to note that the implementation guidelines must be revised once the legislative proposal on strengthening corporate governance has entered into force. Since it is not yet clear when this proposal will be adopted, the Corporate Governance Committee has taken the initiative of publishing implementation guidelines for Principle 7 of the Belgian Corporate Governance Code.

GLOSSARY

Executive management: as defined in provision 6.2 of the 2009 Code, the executive management includes, at least, all executive directors. If a management committee exists, the executive management includes all members of that committee, irrespective of whether the committee has been established within the scope of article 524bis CoC (legal management committee).

Annual bonus – earned for the reported year: variable remuneration based on performance for the reported year. Not all of the earned bonus is necessarily paid out in the following year. Part of the bonus may be deferred.

Annual bonus – deferred for the reported year: variable remuneration based on performance for the reported year but only paid out after an additional period of time with the final payment possibly subject to additional criteria.

Annual bonus – paid for the reported year: part of the annual bonus earned for the reported year which is not deferred and/or deferred bonus amounts which were initially earned prior to the reported year but were subsequently deferred and which finally vested during the reported year.

Shares – granted during the reported year: shares which were awarded during the reported year, typically subject to certain vesting restrictions.

Shares – lapsed during the reported year: shares which forfeited during the reported year (for example due to the termination of the (employment) contract).

Share options – granted during the reported year: rights to acquire shares which were awarded during the reported year, typically subject to certain vesting and exercise restrictions.

Share options – exercised during the reported year: rights to acquire shares which were (typically) granted prior to the reported year and which were exercised during the reported year.

Share options – lapsed during the reported year: rights to acquire shares which forfeited during the reported year (this may include for example options for which the exercise period expired or options which can no longer be exercised due to the termination of the (employment) contract).

Part 1 – Description of the procedures applied during the reported year to develop a remuneration policy and remuneration levels

PRINCIPLE 7.3 & APPENDIX F, 9.3./2 §1

What is the adopted procedure¹ your company foresees 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.

Please provide a description of (i) and (ii) below.

Briefly describe the steps that were taken to develop the remuneration policy and to set the remuneration levels, for example preparation by management of a proposal, presentation to and deliberation within the remuneration committee (possibly several meetings), presentation to and approval by board of directors, submission to and voting by general assembly (for share based plans).

If no change was brought to the remuneration policy in the course of the reported year, indicate this; if change occurred, describe steps that were taken to develop the retained modification, as illustrated above.

¹ Related to the applicable financial reported year

Part 2 – Statement on the remuneration policy applied during the reported year

PRINCIPLE 7.4 & APPENDIX F, 9.3./2 §2

For the financial year covered by the annual report, please explain the remuneration policy for executive managers covering at least the following information:

- a) the principles on which the remuneration is based, with an indication of the relationship between remuneration and performance;
- b) the relative importance of the various components of the remuneration;
- c) characteristics of any performance bonus in shares, 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.

Part 3 – Board fees and other remuneration² earned by non-executive directors and executive managers in their capacity as board members for the reported year

PRINCIPLE 7.8, 7.10 & APPENDIX F, 9.3./2 §3-4

Name of the director and capacity (executive director or non-executive director)	
Fees	<p>Total fees earned for the reported year</p> <ul style="list-style-type: none"> • Main text to explain fee structure (for example : annual retainer, committee fees, committee chairman fees, meeting fees)
Other benefits	<p>Total amount earned for the reported year</p> <ul style="list-style-type: none"> • Footnote to indicate the type of benefits included

² Remuneration and other benefits that have been granted directly or indirectly by the company or its subsidiaries.

Part 4 – Evaluation criteria for remuneration based on performance for the executive managers

PRINCIPLE 7.12 & APPENDIX F, 9.3./2 §5

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 should be disclosed. The information should be stated in such a way that no confidential information on the strategy of the company is provided.

Describe the annual bonus plan and long-term incentive plans for which the performance period ended during the reported year.

Describe the evaluation criteria that were used to measure performance during the reported financial year for the annual bonus plan and the evaluation criteria with an indication of the evaluation period for the long-term incentive plans.

The information should be stated in such a way that no confidential information on the strategy of the company is provided.

Note that additional information is required for equity based plans as indicated in § 8.

Part 5a – Remuneration³ earned by the CEO for the reported year

PRINCIPLE 7.14 & APPENDIX F, 9.3./2 §6

Name of the CEO	
Statute of the CEO	Self employed – Management company – Salaried
Fixed remuneration	<p>Salary and board fees (if any) earned in his position as director in the company's subsidiaries for the reported year</p> <ul style="list-style-type: none"> • <u>Salaried</u>: gross base salary (Belgian + fixed foreign source income) • <u>Self-employed/Management Company</u>: gross fees
Variable remuneration	<p>Actual bonus paid for the reported year.</p> <p>If part of the bonus is deferred, this deferred amount should not be included in the reported actual bonus amount (as this was not paid out for the reported year and may therefore lead to “double-counting”) but should be included in a footnote. However, any bonus amount earned and deferred in prior years and vested during the reported year, should be included in the reported actual bonus amount and should be explained in a footnote.</p> <ul style="list-style-type: none"> • <u>Salaried</u>: gross actual bonus (Belgian + variable foreign source income). • <u>Self-employed / Management Company</u> : gross fees • If information on the bonus paid <u>for</u> the reported year is not yet available then the bonus paid <u>during</u> the reported year should be provided.
Total	The sum of the disclosed annual base salary and annual actual bonus.

³ Remuneration and other benefits that have been granted directly or indirectly by the company or its subsidiaries, excluding corporate board fees (which are to be mentioned in part 3)

Pension	<ul style="list-style-type: none"> • The applicable pension scheme should be explained (or referred to if explained elsewhere in the report) • <u>Defined contribution plan / cash balance plan</u>: employer contribution during the year • <u>Defined benefit plan</u>: service cost used for calculating expense less employee contributions. The methodology for determining service cost should be based on International Financial Reporting Standards (IFRS).
Other benefits	Total amount with footnote indicating the type of benefits included (for example insurances, car, other benefits in kind)

Part 5b – Long-term cash paid to the CEO for the reported year

PRINCIPLE 7.14 & APPENDIX F, 9.3./2 §6

Name and statute of the CEO	
Type of plan	Reference to main text of the remuneration report with description of plan. To include long-term cash incentive plans for which the performance period exceeded one year and <u>ended during the reported year</u>
Performance period	Indicate start and end of the performance period
Cash amount	Actual gross cash amount paid out for the reported year and earned for the performance period ending in the reported year.

Part 6a – On an aggregate basis and for the reported year, the remuneration⁴ earned by the other members of the executive management

PRINCIPLE 7.15 & APPENDIX F, 9.3./2 §7

Fixed remuneration	<p>Aggregate salary and board fees (if any) earned for the reported year</p> <ul style="list-style-type: none"> • <u>Salaried</u>: gross base salary (Belgian + fixed foreign source income) • <u>Self-employed / Management Company</u>: gross fees
Variable remuneration	<p>Aggregate actual bonus paid for the reported year.</p> <p>If part of the bonus is deferred, this deferred amount should not be included in the reported actual bonus amount (as this was not paid out for the reported year and may therefore lead to “double-counting”) but should be included in a footnote. However, any bonus amount earned and deferred in prior years and vested during the reported year, should be included in the reported actual bonus amount and should be explained in a footnote.</p> <ul style="list-style-type: none"> • <u>Salaried</u>: aggregate gross actual bonus (Belgian + variable foreign source income). • <u>Self-employed / Management Company</u> : gross fees • If information on the bonus paid <u>for</u> the reported year is not yet available then the bonus paid <u>during</u> the reported year should be provided
Total	The sum of the disclosed annual base salary and annual actual bonus
Pension	<ul style="list-style-type: none"> • The applicable pension scheme should be explained (or referred to if explained elsewhere in the report) • <u>Defined contribution plan / cash balance plan</u>: employer contribution during the year • <u>Defined benefit plan</u>: service cost used for calculating expense less employee contributions. The methodology for determining service cost should be based

⁴Remuneration and other benefits that have been granted directly or indirectly by the company or its subsidiaries.

	on International Financial Reporting Standards (IFRS).
Other benefits in kind	Total amount with footnote indicating the type of benefits included (for example insurances, car, other benefits in kind)

Part 6b – On an aggregate basis, the long-term cash paid to the other members of the executive management (other than CEO) for the reported year

PRINCIPLE 7.15 & APPENDIX F, 9.3.J/2 §7

Type of plan	Reference to main text of the remuneration report with description of plan. To include long-term cash incentive plans for which the performance period exceeded one year and <u>ended during the reported year</u>
Performance period	Indicate start and end of the performance period
Cash amount	Actual gross cash amount paid out for the reported year and earned for the performance period ending in the reported year.

Part 7a – On an individual basis, the number and key characteristics of the shares granted during the reported year to each executive manager (including CEO)

PRINCIPLE 7.16 & APPENDIX F, 9.3./2 §8

Name of the executive manager	
Decision body and date of decision	Board of Directors and Shareholders Meeting
Type of plan	Reference to main text of the remuneration report with description of plan*
Number of shares	Shares
Price at which the shares have been awarded	
Date when the shares become available	Foot note to indicate whether vesting is dependant on performance condition – if so reference to description of performance conditions
Annualised expected value of award	The annualised expected value of the award can be provided. The methodology for determining the annualised expected value could be based on International Financial Reporting Standards (IFRS).

* Excluding all employee stock purchase plans

Part 7b – On an individual basis, the number and key characteristics of the share options or other rights granted during the reported year to each executive manager (including CEO)

PRINCIPLE 7.16 & APPENDIX F, 9.3./2 §8

Name of the executive manager	
Decision body and date of decision	Board of Directors and Shareholders Meeting
Type of plan	Reference to main text of the remuneration report with description of plan (management incentive plans only - shares awarded in the context of all employee plans do not need to be disclosed here)
Number of options	Options, warrants or units with same economic value (such as Share Appreciation Rights)
Exercise price	Strike price
Date when the options vest and period during which the options can be exercised	Period during which options, warrants or units can be exercised (vesting period and term). Foot note to indicate whether vesting is dependant on performance condition – if so reference to description of performance conditions
Annualised expected value of award	The annualised expected value of the award can be provided. The methodology for determining the annualised expected value could be based on International Financial Reporting Standards (IFRS).

Part 7c – On an individual basis, the number and key characteristics of the share options or other rights, exercised or lapsed during the reported year of each executive manager (including CEO)

PRINCIPLE 7.16 & APPENDIX F, 9.3./2 §8

Name of the executive manager	
Type of plan	Reference to main text of the remuneration report with description of plan
Number of options exercised	
Exercise price	
Year of grant of options exercised	
Number of options lapsed	
Year of grant of options lapsed	
Number of shares lapsed	
Year of grant of shares lapsed	

Part 8 – On an individual basis, the main provisions of the contractual relationship of the CEO and any other executive manager

APPENDIX F, 9.3./2 §9

If on or after 1 July 2009, 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, should be provided.

