

BELGIAN CORPORATE GOVERNANCE CODE

PROPOSED AMENDMENTS Public Consultation

Please send in your comments by post or e-mail to:

The Corporate Governance Committee

Rue des Sols 8, Stuiversstraat 8

B-1000 Brussels

T + 32 2 515 08 29

F + 32 2 515 09 85

E-mail: secretary@corporategovernancecommittee.be

Comments must be submitted **by 22 September 2008.**

Only the point A of the consultation is commented by the ‘Commission Femmes et Entreprises’

A. Socially responsible business: Corporate Social Responsibility and diversity

Corporate Social Responsibility (CSR) and diversity/the position of women are some of the topics that have gained prominence over the last couple of years.

The objective of the Code is to issue recommendations on how companies should be directed, managed and controlled, without going into each and every dimension of companies' responsibilities. However, recognising the importance of issues such as CSR and diversity, the Committee deemed it appropriate to insert a supplementary guideline to Provision 1.2 of the Code.

This guideline requests that boards also pay attention to corporate social responsibility and diversity when translating the company's values and strategy into company-specific key policies.

Additional guideline for Provision 1.2:

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

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

Regarding the composition of the board itself, the Code already required the necessary diversity. In addition, it is proposed that gender diversity be given an explicit mention in Provision 2.1.

Amendment to Provision 2.1:

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, including gender 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").

Comments with respect to point A:

The inclusion of gender diversity within the Board's composition is a major improvement to recognise the role of the women in our Society and companies.

However we would like to make the following comments:

1) on the wording of the guideline 1.2 and provision 2.1: instead of mentioning "... diversity, including gender diversity", we strongly insist to replace this by "... diversity, in particular gender diversity";

2) on the translation of that wording to French and Dutch: we don't know what wording will be used in French and Dutch to translate the words "gender diversity". To be explicit, we would suggest in French "notamment une mixité hommes/femmes" and in Dutch "met name gemengd mannen/vrouwen".

3) In order to ensure that the inclusion of gender diversity in the recommendations of the Code does not remain a wishful thinking but really encourages our companies to embed it in their values, policies and behaviours, it should be made clear that women should play an active and effective role. In this respect, we would suggest to

(a) include the same diversity recommendation for the composition of the executive management structure, under principle 6 of the Code; We would recommend the following text: “ 6.2 Executive management should at least include all executive directors. ... The composition of the executive management should reflect appropriate gender diversity ...”

(b) include, for the composition of both the Board and the executive management structure the need for a balanced representation of women. Indeed, in its study “Women Matter – Gender diversity, a corporate performance driver”, McKinsey|&Company suggests a minimum threshold of 30% women attendance to have a significant difference in the company performance. Should this not be highlighted in the Code, the risk to have only one woman appointed as director having no influence on the company is very high. Indeed a critical mass should be reached to achieve the desire objective of recognising the role of women.

We would suggest to add to the guideline 1.2 “In translating values and strategies into key policies, the board should pay attention to corporate social responsibility and diversity, in particular gender diversity.” the following sentence: “Gender diversity should be effective and sufficiently balanced to fairly reflect the role of women within the Society and the company.”

Information to identify the respondent:

| | | |
|-------------------------------|--|------------------|
| NAME: | ESTENNE | Dominique |
| PROFILE/ FUNCTION: | Présidente de la Commission “Femmes et Entreprises” | |
| ORGANISATION: | Conseil des Femmes Francophones de Belgique | |
| OTHER INFORMATION: | | |

Comments on these main changes and on any other proposed changes are welcome and may be sent in by post or e-mail to:

The Corporate Governance Committee
Rue des Sols 8, Stuiversstraat 8
B-1000 Brussels
T + 32 2 515 08 29
F + 32 2 515 09 85
Email: secretary@corporategovernancecommittee.be

Comments must be submitted **by 22 September 2008.**

NB: Unless otherwise stated, responses will be regarded as being on public record. Respondents must indicate specifically whether their responses should be treated as confidential (in this connection standard disclaimers contained in responses received by e-mail will be disregarded).