

# **NV Bekaert SA - Bekaert Group**

## **Corporate Governance Charter**

Originally approved by the Board of Directors of NV Bekaert SA on 16 December 2005

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## INTRODUCTION

NV Bekaert SA (the "Company") attaches great value to good corporate governance and is aware that good governance of listed companies is an important factor in investment decisions for all stakeholders of the Company.

As a member of GUBERNA, the Belgian Institute for Directors, the Company is helping to shape a coherent vision of corporate governance based on solid research, cultural norms and practical management needs. The Company thereby does not ignore its history of more than 130 years, and the important role of its long time principal shareholders.

The Company is subject, in descending order of precedence, to applicable laws and regulations (including the Belgian Companies Code (the "Companies Code") and Belgian financial legislation and regulation), to its Articles of Association (the "Articles"), to the 2009 Belgian Code on Corporate Governance (the "CG Code"), and to the present Bekaert Corporate Governance Charter (the "CG Charter").

The Company's Board of Directors has on 22 December 2009 adopted the CG Code as the reference code for Bekaert and revised the CG Charter for alignment with the CG Code.

The Company applies the Corporate Governance Principles laid down in the CG Code. In addition, and except as explained in the CG Charter or in the Corporate Governance Statement of its annual report, the Company complies with the Corporate Governance Provisions of the CG Code.

The Articles and the CG Charter, each in its fully updated version, are available from the Investors section of the Company's website [www.bekaert.com](http://www.bekaert.com).

Most individuals in this document are referred to in masculine. Gender specific references should be interpreted as being gender neutral.

## **PART I: STRUCTURE AND ORGANIZATION**

## **I.1. COMPANY PROFILE**

Bekaert's profile, including its regional segment reporting, is described in its most recent Shareholders' Guide, which is available from the Investors section of [www.bekaert.com](http://www.bekaert.com).

## **I.2. LEGAL STRUCTURE**

The Company is the ultimate parent company of the Bekaert Group (the "Group"). For purposes of the CG Charter, the term Group includes the Company and its subsidiaries, joint ventures and associates. The joint ventures are an important part of the Group. A list of the subsidiaries, joint ventures and associates is included in the Group's annual report. Whenever the term "Bekaert" is used in the CG Charter, it refers to the Company and/or the Group as appropriate.

The Company's registered office is at Bekaertstraat 2, 8550 Zwevegem (Belgium). Its Group headquarters is located at the same address. The Company's shares are listed on the NYSE Euronext Brussels stock exchange.

## **I.3. GOVERNANCE STRUCTURE**

The primary decision-making body of the Company is its Board of Directors (the "Board"), under the leadership of the Chairman, with the exception of matters reserved by the Companies Code or by the Articles to the General Meeting of Shareholders (the "General Meeting") (cf. section V.4.2), and subject to the management and operational powers delegated by the Board to the Bekaert Group Executive, the Company's executive management body (the "BGE"), under the leadership of the Chief Executive Officer (the "CEO") (cf. section IV.1).

## **PART II: BOARD OF DIRECTORS: TERMS OF REFERENCE**

## II.1. ROLE, RESPONSIBILITIES, AUTHORITY

### II.1.1. Role

The Board is the prime decision-making body of the Company, with the exception of matters reserved by the Companies Code or the Articles to the General Meeting (cf. section V.4.2), and subject to the management and operational powers delegated by the Board to the BGE (cf. section IV.1).

The underlying objective of decision-making by the Board is to pursue the long term interests of the Company, its shareholders and other stakeholders (e.g. its customers, its employees and the communities in which the Group operates worldwide).

The Board believes that this involves a primary focus on sustainable profitable growth.

It is the prime responsibility of the Board, under the leadership of its Chairman, to determine the general policy of the Company and the Group, and to monitor the Company's and the Group's operations. The Board has delegated its management and operational responsibilities to the BGE, under the leadership of the CEO. To underscore the division of responsibilities between the Board and the BGE:

- the Chairman of the Board and the CEO are never the same individual;
- apart from the CEO, who is always nominated for Board membership, all Directors are non-executive, unless otherwise proposed by the Board; and
- the BGE is composed exclusively of individuals with executive responsibilities, unless otherwise proposed by the Board.

### II.1.2. Responsibilities

As members of the Board, all Directors are required to:

- provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set the Group's strategic aims and monitor their realization, ensure that the necessary leadership, human and financial resources are available for the Group to meet its objectives, and review management performance;
- set the Group's values and standards and ensure that its obligations to the shareholders and others are understood and met;
- pay attention to corporate social responsibility, gender diversity and diversity in general.

In addition to these general requirements for all Directors, the role of the non-executive Director has the following key elements:

- **Strategy:** non-executive Directors should constructively challenge and help develop strategy and key policies proposed by the CEO.
- **Performance:** non-executive Directors should assess the performance of executive management in meeting the agreed goals and objectives, and monitor the reporting of performance.
- **Risk:** non-executive Directors should satisfy themselves that financial information is accurate and that the financial and other internal controls and systems of risk management are robust.
- **People:** non-executive Directors are responsible for determining appropriate levels of remuneration of executive management and have a prime role in appointing, removing and planning the succession of BGE members.

Non-executive Directors should constantly seek to establish and maintain confidence in the conduct of the Company. They should be independent in judgment and have an enquiring mind.

An effective non-executive Director should:

- seek for sufficient recognition with executive management in order to promote openness and trust;
- be well-informed about the Company and the external environment in which it operates, with a strong command of relevant business issues;
- update and enhance continuously his knowledge and skills to ensure that his contribution to the Board remains pertinent.

The non-executive Directors will receive information sufficiently in advance of Board meetings to enable thorough consideration of the issues facing the Board. The non-executive Directors should insist that information is sufficient, accurate, and timely.

The non-executive Director:

- maintains the highest ethical standards of integrity;
- supports executive management in their leadership of the business while monitoring their conduct;
- questions intelligently, debates constructively, challenges rigorously and decides dispassionately;
- listens sensitively to the views of others, both inside and outside the Board;
- gains the trust and respect of other Board members;
- promotes the highest standards of corporate governance and always seeks compliance with the CG Code.

### II.1.3. Authority

The following powers are reserved to the Board:

- the determination of the general policy of the Company. This includes the authority to determine the important strategic issues within the Company, to approve plans, budgets and important structural changes (including any acquisition or disposal of a company or business), and the responsibility for the relationship between the Company and its shareholders. The general policy shall be formulated in close co-operation with the CEO and shall carry his support;
- the adoption of the annual accounts for approval by the General Meeting, and the approval of the annual report. In connection herewith, the Board should:
  - approve a framework of internal control and risk management for the Company and the Group set up by the BGE, and monitor the implementation of the framework;
  - ensure the integrity and timely disclosure of the financial statements of the Company and the Group; and
  - supervise the performance of the Statutory Auditor and supervise the internal audit function;
- the election of the Chairman of the Board, and the division of responsibilities between the Chairman and the CEO;
- the monitoring and review of the effectiveness of the Committees of the Board of Directors;
- the determination of the structure, powers and duties of the Company's executive management. This includes primarily the appointment, dismissal and remuneration of the CEO and the other members of the BGE;
- the supervision of the BGE: the Board will in its supervisory task be guided by the Chairman assuming the role indicated in section II.4 with the help of the Board Committees described in Part III. The CEO shall inform the Board, in great detail, at the end of each quarter, about the evolution and prospects of the Company. The CEO shall provide the Board at least two times per year with follow-up reports regarding the major strategic programs of the Company.



## II.2. COMPOSITION

### II.2.1. Size

By law, the Board must consist of a minimum of three Directors. The actual number of Directors is determined by the General Meeting.

At present, in addition to the Chairman, the CEO (who is an executive Director) and the independent Directors, a majority of Board members are appointed from among candidates nominated by the principal shareholder.

### II.2.2. Board competency profile

The Board should through the sum of its Directors, regularly attending the meetings, provide sufficient competencies to define the mission and strategies of the Group, to challenge executive management in its implementation of those strategies, to define short and long term budgets and to ensure adequate control over the operational and financial transactions of the Group. The Board should reflect gender diversity and diversity in general.

This means the Board should through its members have ready access to outstanding expertise on:

- the financial and accounting requirements for an international listed company;
- the technological core competences of the Group;
- industrial activities in a global market place;
- marketing and sales;
- the global macro-economic and political environment.

### II.2.3. Selection criteria

The criteria for the selection of candidates relate to the Board competency profile described in section II.2.2, and to the contribution a candidate can make to the Board considering his expertise, interests, experience and willingness and availability to devote sufficient time to his directorship.

At the moment of his initial appointment, a Director should be at least 30 years of age and at most 66 years of age.

All members of the Board are non-executive, with the exception of the CEO, unless otherwise proposed by the Board.

### II.2.4. Independence requirements

At least three members of the Board must be independent within the meaning of Article 526ter of the Companies Code and of the CG Code. The fact that a Director is not independent within the meaning of either provision does not qualify in any respect the Company's judgment about his independence.

The non-executive Directors should not, as a rule, assume any directorship in any other company (subsidiary or jointly controlled entity) of the Group, or perform any operational action or activity which might cast any doubt on their independent judgment when discussing the operational activities of the Group at Board level.

#### II.2.5. Gender diversity

In accordance with Article 518bis of the Companies Code at least one third of the Directors are of the opposite gender.

### II.3. APPOINTMENT AND EVALUATION

#### II.3.1. Nomination and appointment procedure

The nomination process for each candidacy for an office of Director is led by the Chairman. The Nomination and Remuneration Committee submits a reasoned recommendation to the Board. On the basis of such recommendation, the Board decides which candidates will be nominated to the General Meeting for appointment.

Members of the Board have the legal status of a self-employed person for the purposes of Belgian labour and social security law.

The Nomination Procedure and Selection Criteria for Directors is attached hereto as [Appendix 1](#).

#### II.3.2. Terms of office

Each Director shall be appointed by a simple majority resolution of the General Meeting, for a maximum term of four years. Each Director can at any time be removed from office by a simple majority resolution of the General Meeting.

Directors retire at the Annual General Meeting of the year in which they reach the age of 69.

Both a physical person and a legal entity can assume a directorship. If a legal entity assumes a directorship, it has to appoint a physical person as its permanent representative, who must himself fulfil all conditions for appointment as a Director and who shall, together with the legal entity, be personally liable for the performance of the office of Director.

A Director whose term has expired can be re-appointed for an indefinite number of new terms, subject to the retirement rule set forth above.

#### II.3.3. Induction

A non-executive Director will receive a comprehensive, formal and tailored induction. The induction is not restricted to the Board room but will include visiting sites and meeting senior management.

The Induction Procedure for New Directors is attached hereto as [Appendix 2](#).

#### II.3.4. Evaluation

The Chairman organizes every other year a performance appraisal of the full Board, and every intervening year a performance appraisal of the Board Committees, through an extensive questionnaire.

The questionnaire should at least:

- assess how the Board or the relevant Committee operates;
- check that important issues are effectively prepared and discussed;
- evaluate each Director's contribution and constructive involvement;
- assess the present composition of the Board or the relevant Committee against the desired composition.

The Chairman remains available at all times to consider suggestions for improvement of the functioning of the Board or the Board Committees.

The Chairman organizes in the second year of a non-executive Director's term a documented personal performance evaluation. An update of this performance evaluation is part of any re-appointment process.

All Board members, under the guidance of the longest serving independent member of the Board, should make a similar evaluation of the Chairman. This evaluation should be conducted annually considering the importance of the position of the Chairman, who is also the Chairman of two of the three Board Committees.

The non-executive Directors meet at least once a year in the absence of the CEO in order to assess their interaction with executive management.

#### **II.4. ROLE OF THE CHAIRMAN**

The Board shall elect a Chairman from among its members for a term corresponding to his term as a Director. The Chairman is re-eligible.

As the position of Chairman is pivotal in creating the conditions for overall Board and individual Director effectiveness, both inside and outside the Board room, the Chairman should be appointed on the basis of his knowledge, skills, experience and mediation strength.

The Chairman of the Board shall function as a contact person of, and an intermediary between all stakeholders of the Company and the Group, including but not limited to the shareholders, the other Directors and, through the CEO, the executive management of the Company and the Group.

The person assuming the role of Chairman of the Board shall make sure that he is able, on a constant basis, to assume this role. Should the Chairman of the Board have a conflict of interests in respect of any Board matter, or not be available at a meeting, the longest serving independent Director will assume the Chair.

Any question a Director might have regarding the Company or the Group in general, or more specifically the management, should be raised to the Chairman. The Chairman shall take all necessary steps to have those questions answered and shall communicate such answer as soon as possible to all Directors. The Chairman has, in principle through the CEO's office, immediate access to all relevant documentation.

Specifically, it is the responsibility of the Chairman to:

- run the Board and set its agenda. The agenda should take full account of the issues and the concerns of all Board members. Agendas should be forward looking and concentrate on strategic matters rather than formalistic approvals of proposals that can be suitably delegated to the BGE;

- ensure that the members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable the Board to take well-informed decisions, monitor effectively and provide advice to promote the success of the Company;
- ensure effective communication with shareholders at the General Meeting and ensure that the members of the Board gain a sound understanding of the views of major investors;
- manage the Board to ensure that sufficient time is allowed for discussion of complex or contentious issues, and where appropriate arrange for informal meetings in advance to enable thorough preparation for the Board discussion. It is particularly important that non-executive Directors have sufficient time to examine critical issues and are not faced with unrealistic deadlines for decision-making;
- take the lead in providing a properly prepared induction program for new Directors which is comprehensive, well structured and individually tailored, facilitated by the Company Secretary;
- take the lead in identifying and meeting the development needs of each individual Director, with the support of the Company Secretary facilitating the implementation. It is the responsibility of the Chairman to address the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team;
- ensure that the performance of the Board, the Board Committees and the individual Directors is evaluated in accordance with section II.3.4;
- encourage active engagement by all members of the Board.

#### The Chairman:

- upholds the highest standards of integrity;
- sets the agenda and leads Board discussions promoting constructive debate leading to effective decisions;
- promotes effective relationships and open communication, both inside and outside the Board room, between non-executive Directors and executive management;
- leads and promotes effective relationships with the principal shareholder;
- ensures adequate representation of Bekaert as a group towards diplomatic, economic or political forums; for that purpose the Chairman has a budget available that is approved and controlled by the Audit and Finance Committee;
- builds an effective Board, representing complementary backgrounds and experiences, initiates change and plans succession in Board appointments, subject to Board and shareholders' approval;
- promotes the highest standards of corporate governance and seeks compliance with the CG Code wherever possible;
- ensures that Board Committees are properly structured and effectively run;
- ensures proper communication of Board decisions to the external community (press releases, presentation of results);
- ensures effective implementation of Board decisions;
- establishes a relationship of trust with the CEO, providing support and advice while fully respecting the executive responsibilities of the CEO;
- provides coherent leadership.

## II.5. ORGANIZATION, DECISION-MAKING, REPRESENTATION

### II.5.1. Board Meetings

The Board has a minimum of six regular meetings each year.

Additional meetings may be called at any time with appropriate notice to address specific needs of the business. The Board tries to have one meeting a year at a Bekaert location in or outside Belgium in order to keep in touch with the operations and the business environment of the Group.

Board meetings are convened by the Chairman or, if he is not available, by the longest serving independent Director. The person convening the meeting sets its agenda. Each Director can propose agenda items. It is also the responsibility of the Chairman, assisted by the Company Secretary, to ensure that all members of the Board are properly and timely informed and documented on all items on the agenda. The Directors should thoroughly prepare and actively contribute to the meetings of the Board.

In normal circumstances the convening notices and accompanying documents are circulated to the Directors no later than five working days before the meeting; in case of urgency this notice period can be shortened.

While the Articles allow attendance and voting by proxy, as well as meetings by means of telephone or video conference, it is understood that face-to-face proceedings are largely to be preferred. Board members are expected to attend Board meetings regularly and in person, and to devote the required amount of time to fulfill their responsibilities.

In order for a Board meeting to be valid, a majority of its members have to be present or represented by proxy, duly notified in advance.

The Board can pass its resolutions by a simple majority vote. In case of a tie, the vote of the Chairman is decisive. Without prejudice to the rules governing Directors' liability, and without prejudice to the right of each Director to have his vote and its reasons recorded in the minutes of the meeting, each Director shall loyally execute the resolutions validly passed by the Board.

The Chairman and the CEO can invite other members of the BGE or of senior management to attend whole or part of a Board meeting if they consider their presence to be useful.

The Board is entitled to request the assistance and/or presence of internal experts, as well as of independent external experts at the expense of the Company.

Minutes are taken at every Board meeting, circulated to the Directors as quickly as practicable, and approved at the following meeting.

### II.5.2. Board Committees

In order to fulfill its role and responsibilities efficiently, the Board has set up three advisory Committees: an Audit and Finance Committee, a Nomination and Remuneration Committee, and a Strategic Committee. The terms of reference of the Board Committees are set forth in Part III of the CG Charter.

The Board may set up additional advisory committees to deal with specific matters if the need arises.

### II.5.3. Company Secretary

The Board appoints a Company Secretary, who assists and advises the Board, the Chairs of the Board Committees, and all Board members in exercising their general and specific roles and duties.

The core responsibilities of the Company Secretary include (i) ensuring that the corporate bodies comply with their requirements under the law, the Articles, the CG Code and the CG Charter, (ii) ensuring the continuous development of governance, in line with best market practices and the needs of the Company, (iii) organizing the General Meetings of Shareholders and the Board meetings, and (iv) acting as secretary of the General Meetings, the Board, and the Board Committees.

The Company Secretary is responsible to the Board and is accountable to the Board through the Chairman on all matters relating to his core duties. He has the authority and the duty to use adequate means in order to efficiently fulfill his responsibilities.

The Company Secretary is bound by a duty of discretion, and should observe the utmost confidentiality with respect to the proceedings, the resolutions and the documentation of the Board and its Committees.

### II.5.4. Representation

For matters belonging to the authority of the Board, the Company shall be validly represented towards third parties by the joint signature of two Directors, including always the Chairman or the CEO.

## II.6. CONDUCT GUIDANCE

The members of the Board owe their duties towards the Company as a whole; hence each Director should serve the interests of the Company, taking into account the proper interests of all its present and future shareholders.

### II.6.1. Applicability of General Conduct Policies

The members of the Board should fully comply with:

- the Bekaert Code of Conduct attached hereto as [Appendix 3](#);
- the Bekaert Dealing Code attached hereto as [Appendix 4](#).

### II.6.2. Conflicts of interests

Directors should not directly nor indirectly compete or cause third parties to compete with the Company or the Group. Neither should they take personal advantage of any opportunity open or offered to Bekaert without the full and informed consent of the Board.

To the extent possible, Directors should try to avoid direct or indirect conflicts of interests between themselves, or individuals, legal entities or organizations to which they are closely linked, and the Company or the Group. Without prejudice to the provisions on conflicts of interests of Article 523 of the Companies Code, a Director finding himself in a position of conflict of interests should in any event notify the Chairman who will inform the other members of the Board.

Each Director should each year provide the Company Secretary with a completed questionnaire describing material transactions or other material contractual relationships between himself, or individuals, legal entities or organizations to which he is closely linked, and the Company or the Group, and any other possible source of conflict of interests he might have had in the previous year.

#### II.6.3. Duty of confidentiality

Each Director is bound by a duty of discretion, and should observe the utmost confidentiality with respect to the proceedings, the resolutions and the documentation of the Board and its Committees. It is expressly understood that, except in case of a specific mandate by the Board to act as a spokesperson of the Company for a specific matter related to the activities and responsibilities of the Board, only the Chairman and/or the CEO, or upon their delegation the Corporate Communication Manager, shall act as spokesperson of the Company.

## II.7. REMUNERATION OF NON-EXECUTIVE DIRECTORS

#### II.7.1. Remuneration Policy

The remuneration policy for non-executive Directors is explained in the remuneration report that is prepared by the Nomination and Remuneration Committee and included by the Board as part of the Corporate Governance Statement of the annual report.

#### II.7.2. Exoneration from liability and insurance

It is a tradition within the Company to grant to Directors full indemnity for all direct and indirect financial consequences that may result from or be related to their civil liability as a Director of the Company, except in case of fraudulent intent or of wilful misconduct.

For each Director taking office, the proposal to grant him such indemnity is submitted to the Board, who decides by a simple majority vote and in accordance with the rules on conflicts of interests.

The Company furthermore procures that the Directors are covered by a Directors & Officers Liability insurance policy corresponding to best practice, at the Company's expense.

## **PART III: BOARD COMMITTEES: TERMS OF REFERENCE**



### III.1. STANDING RULES APPLICABLE TO ALL COMMITTEES

#### III.1.1. Role, responsibilities, authority

As a general rule, the role of the Board Committees is to advise the full Board on the matters belonging to their respective jurisdiction. Unless specifically otherwise provided in the CG Charter, the Board Committees do not have the power of decision, which is the privilege of the full Board.

The members of each Board Committee are proposed by the Chairman and appointed by a simple majority vote of the Board, for a term that corresponds to their term of office as a Director. Each Committee is composed exclusively of non-executive Directors, with the exception of the CEO being a member of the Strategic Committee.

Minutes are taken at every Committee meeting, circulated to all members of the Board as quickly as practicable, and approved at the next Committee meeting. However, for the Nomination and Remuneration Committee, in view of the nature of the discussions, only its final and reasoned recommendations to the Board are communicated, albeit in a manner that allows all Board members to be fully informed to decide on such recommendations.

Each of the Committees, through its Chairman, shall have the right to invite other Directors, members of the BGE, or other management employees to its meetings at its own discretion. Each of the Committees shall have the right to request the assistance and/or presence of independent external experts at the expense of the Company. The Company Secretary shall co-ordinate such requests for external assistance.

#### III.1.2. Chairman

The Nomination and Remuneration Committee and the Strategic Committee are chaired by the Chairman of the Board. The Audit and Finance Committee is chaired by an independent Director.

Should the Chairman of a Committee have a conflict of interests in respect of any Committee business, or not be available at a meeting, the longest serving independent member of the Committee (or, should the Audit and Finance Committee include only one independent Director, the Chairman of the Board) will assume the Chair.

### III.2. TERMS OF REFERENCE AUDIT AND FINANCE COMMITTEE ("AFC")

#### III.2.1. Role and responsibilities

The AFC has the following duties:

- monitoring the financial reporting process, including:
  - reviewing the Company's annual accounts and the consolidated annual accounts, and the Company's annual report and the consolidated annual report before submission to the Board;
  - reviewing Bekaert's half-year results and quarterly trading updates before submission to the Board;
  - advising the Board on appropriate financial procedures;
  - advising the Board on Bekaert's financial position, indebtedness, and accounting rules;
  - discussing significant financial reporting issues with the BGE and the Statutory Auditor;

- monitoring the effectiveness of the internal control and risk management systems, with a view to ensuring that the main risks are properly identified, managed and disclosed according to the framework adopted by the Board (including the review of any significant findings of internal investigations);
- reviewing the internal audit function's work program and effectiveness, making recommendations on the appointment or removal of the head of internal audit and on the budget allocated to internal audit, and monitoring management's compliance with the findings and recommendations of the AFC;
- monitoring the statutory audit of the Company's annual accounts and the consolidated annual accounts, and any follow-up on any questions and recommendations raised by the Statutory Auditor, including:
  - making recommendations to the Board on the appointment or reappointment of the Statutory Auditor, the Statutory Auditor's remuneration, and any questions related to the Statutory Auditor's resignation or dismissal;
  - discussing with the Statutory Auditor the nature and the scope of the audit, any problems or reservations arising from the audit, and any matters which the Statutory Auditor wishes to discuss;
  - reviewing the effectiveness of the external audit process, and management's responsiveness to the recommendations made in the Statutory Auditor's management letter.

The AFC prepares the relevant proceedings and resolutions of the Board, and submits its recommendations to the Board.

Pursuant to a specific delegation from the Board, the AFC is authorized:

- to approve the annual budget for the functioning of the Board, including the remuneration paid to the Board members as well as all expenses related to the Chairman, the Chairman's office and the functioning and organization of the Board meetings, and to review on an annual basis the actual expenses incurred;
- to approve a policy for the reimbursement of Board member expenses, and to ensure compliance with such policy;
- to approve a formal policy on the non-audit services of the Statutory Auditor, with a view to ensuring adequate independence, and to ensure compliance with such policy;
- to approve the charter of the internal audit function.

### III.2.2. Membership

The AFC is composed of maximum five non-executive Directors, including the Chairman of the Board and at least one independent Director who has the required competence in accounting and auditing. The AFC is chaired by one of its independent Directors (subject to the second paragraph of section III.1.2), and the Company Secretary acts as its secretary.

The CEO is not a member of the AFC but has a standing invitation to attend its meetings.

### III.2.3. Meetings

The AFC meets at least four times a year.

### III.3. TERMS OF REFERENCE NOMINATION AND REMUNERATION COMMITTEE ("NRC")

#### III.3.1. Role and responsibilities

The NRC advises the Board on:

- the remuneration policy for the Directors, the CEO and the other members of the BGE;
- the individual remuneration of the Directors;
- the individual remuneration of the CEO and the other members of the BGE, including base remuneration, variable remuneration and other components;
- the remuneration policy for senior management;
- the appointment or reappointment of Directors, and the appointment of the CEO and the other members of the BGE; and
- generally, any remuneration or appointment related proposals to be submitted by the Board to the General Meeting.

In addition, the NRC prepares the remuneration report, to be included by the Board as part of the Corporate Governance Statement of the annual report, and explains the remuneration report to the Annual General Meeting.

The Chairman leads and coordinates the preparation process to obtain the NRC's reasoned advice.

The CEO informs the NRC on:

- compliance with the above-mentioned remuneration policies;
- his evaluation of the operation and performance of the BGE;
- the overall personnel cost evolution of the Company and the Group;
- material collective bargaining agreements; and
- succession planning for the BGE and senior management.

The NRC prepares the relevant proceedings and resolutions of the Board, and submits its recommendations to the Board.

The Board shall not nominate or co-opt, as the case may be, any candidate for an office of Director who has not been previously supported by the Chairman and recommended by the NRC.

The Board shall not appoint any member of the BGE nor decide on a remuneration and compensation package for members of the BGE, without the support of the CEO.

Senior management employees, other than BGE members, will be appointed by the CEO only.

#### III.3.2. Membership

The NRC is composed of maximum five non-executive Directors, a majority of whom are independent, and must have the required competence in the field of remuneration policy. The NRC is chaired by the Chairman of the Board, and the Company Secretary acts as its secretary.

The CEO is not a member of the NRC but has a standing invitation to attend its meetings. The CEO should excuse himself from the meeting whenever the NRC has to discuss his own remuneration or evaluation. He has an advisory vote whenever the NRC discusses the remuneration of the other members of the BGE or of senior management.

### III.3.3. Meetings

The NRC meets at least three times a year.

## III.4. TERMS OF REFERENCE STRATEGIC COMMITTEE

### III.4.1. Role and responsibilities

The Board defines the strategy of the Group.

The Strategic Committee examines the proposals made by the BGE to implement the strategy. It evaluates and reviews major strategic decisions in the first phase of their implementation or integration for compliance with the original objectives. It conducts follow-up meetings on major investments from time to time.

The Strategic Committee advises the Board on changes to the assumptions that defined the general strategic policy of the Group, as well as on the major strategic issues related to its further development.

The Strategic Committee from time to time conducts specific reviews of the overall risk environment in which Bekaert is operating, and ensures that the major identified risks are adequately considered when determining the strategy and when making decisions for its execution and implementation.

The Strategic Committee prepares the relevant proceedings and resolutions of the Board, and submits its recommendations to the Board.

### III.4.2. Membership

The Strategic Committee is composed of maximum seven Directors, including the Chairman of the Board, the CEO and at least one independent Director. The Strategic Committee is chaired by the Chairman of the Board, and the Company Secretary acts as its secretary.

### III.4.3. Meetings

The Strategic Committee meets at least three times a year.

## **PART IV: BEKAERT EXECUTIVE MANAGEMENT: TERMS OF REFERENCE**

#### IV.1. ROLE, RESPONSIBILITIES, AUTHORITY

The Board has delegated its management and operational powers to the BGE under the leadership of the CEO. Its responsibilities include, among others:

- the development, implementation and monitoring of the strategy of the Group and each of its global business platforms;
- the development and monitoring of the short and long term plans, and the monitoring of the results of the various business platforms and regional operations of the Group;
- the implementation of internal controls based on the internal control and risk management framework approved by the Board;
- the preparation of the annual accounts for presentation to and timely disclosure by the Board.

The BGE assumes, under the leadership of the CEO, the management of the Company and the Group. It acts under the supervision of the Board, and is in charge of implementing the decisions of the Board.

The CEO functions as the prime interface between the Board and the BGE.

A provision in the Articles authorizes the Board to transfer its management powers to an executive committee within the meaning of Article 524bis of the Companies Code. The Board has not made use of this possibility to date.

#### IV.2. COMPOSITION

The BGE has a balanced composition of members representing the global business platforms, the regional operations and the global functions, and who bear the title of Executive Vice President. The BGE is chaired by the CEO.

#### IV.3. APPOINTMENT

Each member of the BGE is appointed by a simple majority resolution of the Board, acting on the recommendation of the NRC, in accordance with a contract that, unless otherwise agreed, is entered into for an indefinite period of time subject to early termination and severance pay provisions.

Both a physical person and a legal entity can assume membership of the BGE. If a legal entity assumes membership of the BGE, it has to appoint a physical person as its permanent representative, who must himself fulfil all conditions for appointment as a member of the BGE.

#### IV.4. ROLE OF THE CHIEF EXECUTIVE OFFICER

##### IV.4.1. Role and responsibilities

It is the CEO's primary responsibility to propose strategic plans and policies to the Board, and to ensure the implementation of those strategic plans and policies as approved by the Board.

The CEO is responsible for the attainment of the Group's mission and its objectives in terms of business growth, profitability and customer service levels. His leadership inspires the employees to execute effectively all long and short term action plans in accordance with the values guiding the Group.

#### IV.4.1.1. Relationship with the Board and the Chairman

The CEO should

- establish an effective relationship with the Board and the Chairman;
- interact with the Board to identify and capture new business opportunities;
- consult with the Chairman regarding the preparation of the annual Board calendar, and the agendas and documents for Board meetings;
- provide the Chairman with timely, accurate and relevant information for distribution to the Board to enable informed consideration of the Group's performance prospects;
- perform any functions and exercise any powers delegated by the Board;
- refer any transaction outside the delegated authority to the Board for approval;
- advise the Board promptly of any adverse developments in relation to the Group and/or its legal and operating environments.

#### IV.4.1.2. Leadership

The CEO should

- provide comprehensive advice and information to the Board and support the Board's corporate governance activities;
- implement decisions of the Board;
- promote organizational change related to the Group's mission;
- engage and energize the workforce to achieve optimal, sustainable performance;
- encourage innovation and compliance;
- instil a culture that is aligned with the approved strategy, mission, values, objectives, policies and procedures;
- foster open communication and develop individuals' capabilities.

#### IV.4.1.3. Knowledge sharing and communication

The CEO's role is to:

- act as an interface between the Board and executive management;
- ensure that the Board and executive management have accurate, valid, relevant and timely information;
- interface between the Group and the market place and community with a consistent communication strategy;
- ensure that the Group and its mission, programs, products and services are consistently presented in a strong, positive image to all its stakeholders;
- ensure sufficient contact with major customers, partners, suppliers and other important stakeholders for the Group;
- carry out the adequate representation of Bekaert as a group towards political, economic, social and diplomatic forums.

#### IV.4.1.4. Decision making

The CEO's role is to:

- formulate policies and planning recommendations for consideration by the Board;
- take and/or approve all actions and initiatives required to implement decisions of the Board;
- allocate resources within the Group;
- decide or guide courses of action in operations by executive management;
- ensure full support of the BGE for the above.

#### IV.4.1.5. Program, product and service delivery

The CEO's role, in full cooperation with and with the full support from the BGE, is to:

- approve and oversee the design, manufacture, sales, marketing, promotion, delivery and quality of programs, products and services;
- acquire sufficient resources and capabilities for the Group's operations and finance its products and programs adequately;
- ensure that the corporate brand and reputation of the Group are continuously enhanced.

#### IV.4.1.6. Strategic management

The CEO's role, in full consultation with the BGE, is to:

- drive the development and implementation of strategic, tactical and action plans;
- oversee the Group's operations and ensure that these are aligned with and comply with the strategy, mission, values, objectives, policies and procedures approved by the Board;
- monitor the external and operating environments for trends that may provide opportunities or threats for the Group and advise the Board accordingly;
- ensure that executive management works in a self-confident and trusting environment.

#### IV.4.1.7. Human resource management

The CEO's role is to:

- ensure the effective management of the Group's employees according to the approved personnel policies and procedures in compliance with current laws and regulations;
- encourage cooperation;
- utilize individuals' skills and remove obstacles from team performance;
- attract and retain people with skills, attributes and experience to meet existing and future organizational requirements;
- sustain an environment that encourages individuals to achieve personal and professional growth.

#### IV.4.1.8. Financial, tax, risk, and facilities management

The CEO's role, in full consultation with the BGE, is to:

- recommend yearly recurring and capital expenditure budgets for Board approval;
- manage the Group's resources efficiently and effectively and in accordance with the strategic plan, annual budget, laws and regulations;
- monitor financial and operational performance and ensure that all reporting is in accordance with Board and statutory requirements;



- implement a strategic, comprehensive and systematic internal control and risk management process throughout the Group.

#### IV.4.2. Appointment and term of office

The CEO is appointed in his capacity of head of the executive management by a simple majority resolution of the Board, acting on the recommendation of the NRC, in accordance with a contract that, unless otherwise agreed, is entered into for an indefinite period of time subject to early termination and severance pay provisions.

The CEO selection process is led by the Chairman in accordance with the process steps defined by the NRC. All steps should be sufficiently documented and reported to the Board.

As the CEO is appointed in his capacity of Director in accordance with section II.3.2, he bears the title of Managing Director for purposes of Belgian company law. He can at any time be removed from the Board by a simple majority resolution of the General Meeting.

### IV.5. ORGANIZATION, DECISION-MAKING, REPRESENTATION

The BGE meets in principle in a two-day session every month, in accordance with a calendar prepared each year by the CEO. Additional meetings may be called by the CEO at his discretion.

Each BGE meeting is convened by the CEO, who sets its agenda. Each BGE member can propose agenda items. It is also the responsibility of the CEO to ensure that all members of the BGE are properly and timely informed and documented on all items on the agenda. The members should thoroughly prepare and actively contribute to the meetings of the BGE.

In order for a BGE meeting to be valid, a majority of its members have to be present or represented by proxy, duly notified in advance.

The BGE acts as a collegial body. It can pass its resolutions by a simple majority vote. However, in case of a disagreement in the BGE, the vote of the CEO is decisive. Without prejudice to the rules governing BGE members' liability, and without prejudice to the right of each member of the BGE to have his vote and its reasons recorded in the minutes of the meeting, each member of the BGE shall loyally execute the resolutions validly passed by the BGE.

The CEO can invite other members of senior management to attend whole or part of a BGE meeting if he considers their presence to be useful.

The BGE is entitled to request the assistance and/or presence of internal experts, as well as of independent external experts at the expense of the Company.

The BGE appoints a secretary, who assists and advises the BGE and its members in exercising their general and specific roles and duties.

Minutes are taken at every BGE meeting, circulated to the members as quickly as practicable, and approved at the following meeting. A copy of the minutes is sent to the Chairman of the Board.

For matters belonging to the authority of the BGE, the Company shall be validly represented towards third parties by the joint signature of two members of the BGE.

## IV.6. CONDUCT GUIDANCE

The members of the BGE owe their duties towards the Company as a whole; hence each such member should serve the interests of the Company, taking into account the proper interests of all its present and future shareholders.

### IV.6.1. Applicability of General Conduct Policies

The members of the BGE should fully comply with:

- the Bekaert Code of Conduct attached hereto as [Appendix 3](#);
- the Bekaert Dealing Code attached hereto as [Appendix 4](#).

### IV.6.2. Conflicts of interests

Members of the BGE should not directly nor indirectly compete or cause third parties to compete with the Company or the Group. Neither should they take personal advantage of any opportunity open or offered to Bekaert without the full and informed consent of the Board.

To the extent possible, members of the BGE should try to avoid direct or indirect conflicts of interests between themselves, or individuals, legal entities or organizations to which they are closely linked, and the Company or the Group. A member of the BGE finding himself in a position of conflict of interests should in any event notify the CEO who will inform the other members of the BGE.

If a member of the BGE has a direct or indirect interest of a proprietary nature that conflicts with a resolution or operation that is within the powers of the BGE, the CEO shall refer the matter to the Board for decision with a proposed resolution.

Each member of the BGE should each year provide the Company Secretary with a completed questionnaire describing material transactions or other material contractual relationships between himself, or individuals, legal entities or organizations to which he is closely linked, and the Company or the Group, and any other possible source of conflict of interests he might have had in the previous year.

Members of the BGE shall fully and exclusively invest in the exercise of their duties within the Company and the Group. They may assume directorships in other companies (subsidiaries, joint ventures or associates) of the Group subject to Board approval on the motion of the CEO. However, and except for positions in the private (non-commercial, not-remunerated) sphere, they should not accept any office as a director or any other function in any organization that does not belong to the Group without the prior approval of the Chairman on the motion of the CEO.

### IV.6.3. Duty of confidentiality

Each member of the BGE is bound by a duty of discretion, and should observe the utmost confidentiality with respect to the proceedings, the resolutions and the documentation of the BGE.

#### **IV.7. REMUNERATION AND PERFORMANCE EVALUATION**

The remuneration policy for the CEO and the other members of the BGE is explained in the remuneration report that is prepared by the NRC and included by the Board as part of the Corporate Governance Statement of the annual report.

## **PART V: SHARES AND SHAREHOLDERS**

## V.1. CAPITAL AND SHARES

The Company's registered capital is represented by shares without par value. The current amount of the registered capital and the current number of issued shares are mentioned in the Articles.

The shares are in registered or non-material form.

An owner of fully-paid registered shares can request their conversion into non-material shares at the Company's expense.

An owner of non-material shares can request their conversion into registered shares at the Company's expense.

Shareholders wishing to convert their shares as aforesaid should contact their financial institution. Bekaert's legal department is available by telephone (+32 56 76 66 81) or by email ([registered.shares@bekaert.com](mailto:registered.shares@bekaert.com)) to answer any questions in this respect.

In accordance with the Act of 14 December 2005 on the abolition of bearer securities, the Bekaert bearer shares for which no rightful owners came forward before or on 2 October 2015, were sold by the Company. The proceeds from the sale were transferred to the Deposit and Consignments Fund. From 1 January 2016 onwards, rightful owners can claim from the Deposit and Consignments Fund restitution of the amounts derived from the sale after recovery of a fine.

## V.2. PRINCIPAL SHAREHOLDER

### V.2.1. History

The Company was founded by Leon Leander Bekaert in 1880.

Successive generations of Bekaert family members have provided a stable reference shareholding ever since.

### V.2.2. Principal shareholder

According to notifications received under the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act), Stichting Administratiekantoor Bekaert is the principal shareholder of the Company. The holdings of Company shares and voting rights notified by the principal shareholder are set forth in the Investors section of the Company's website [www.bekaert.com](http://www.bekaert.com).

The number and the identity of the Directors appointed from among candidates nominated by the principal shareholder, their principal occupation, Board seniority, Board Committee membership and remuneration are disclosed in the Corporate Governance Statement of the annual report. Any material related party transactions between the Company and its Directors are disclosed in the notes to the consolidated financial statements.

The Group's executive management does not include any member related to the principal shareholder.

### V.2.3. Other major shareholders

In addition to the disclosure thresholds of 5% and each multiple of 5% the Company has included the thresholds of 3% and 7.50% in its Articles. Any transparency notification outstanding at any time is set forth in the Investors section of the Company's website [www.bekaert.com](http://www.bekaert.com).

## V.3. COMMUNICATION WITH SHAREHOLDERS

### V.3.1. Website

A permanent tool of communication is available through [www.bekaert.com](http://www.bekaert.com).

### V.3.2. Investor relations

The Company organizes an Investor Relations function which ensures adequate communication with existing and potential investors.

Several group and individual meetings are held with financial analysts and investors. Those meetings provide information on financial results and corporate strategy.

The annual report is available on the Company's website well in advance of the Annual General Meeting, in Dutch and English, at [www.bekaert.com](http://www.bekaert.com) and can be downloaded.

The Company recognizes that the continuous support of the principal shareholder, and the resulting stability in its shareholding, are a beneficial factor for its development and its prosperity, which is to the benefit of all shareholders of the Company.

The Board is therefore attentive to the appreciation and the signals that it receives from the principal shareholder, and maintains a constructive dialogue with them. Twice a year, this constructive dialogue is externalized through the organization of a "Principal Shareholder Day", during which the Chairman, the Board and the CEO on the one hand and the principal shareholder on the other hand can exchange their thoughts about the Group.

Within the framework of its task to foster sound investor relations, the Board should ensure that shareholders having declared a shareholding of at least 10% under the transparency rules are in this respect treated on the same footing as the principal shareholder.

### V.3.3. Discretion

The Board and the BGE, and each of its members, shall at all times ensure that all shareholders of the Company are treated equally. All information about the Company shall be communicated to all shareholders at the same time and in the same manner. In this respect, the Directors who are in a direct or indirect manner related or linked to the principal shareholder shall be specifically aware of their duty of discretion.

## V.4. GENERAL MEETINGS OF SHAREHOLDERS

### V.4.1. Date and place

The Articles stipulate that the Annual General Meeting shall be held at 10:30 a.m. on the second Wednesday in May.

Extraordinary or Special General Meetings of Shareholders may be convened as the Board deems necessary.

The Investors section of the Company's website describes the shareholders' rights to participate and vote at General Meetings, and contains a timetable on periodic information and General Meetings.

### V.4.2. Powers

The following powers are reserved by law to the General Meeting:

- the appointment, the dismissal and the remuneration of Directors;
- the appointment, the dismissal and the remuneration of the Statutory Auditor;
- the discharge to the Directors and to the Statutory Auditor for the performance of their duties during the previous financial year, and the filing of the *actio mandati*;
- the approval of the annual accounts;
- the appropriation of profit (including the dividend);
- amendments to the Articles;
- capital increase or decrease;
- the authorization to the Board to increase the capital (authorized capital);
- the authorization to the Board to purchase Company shares, and related transactions.

### V.4.3. Procedure

The Chairman of the Board of Directors chairs the Annual General Meeting.

The meeting can only consider and adopt resolutions on the items appearing on the agenda, but ample time is allowed for questions. All shares carry the same rights and each share entitles the holder to one vote.

One or more shareholders holding together at least 3% of the share capital are entitled to request items to be included in the agenda.

Minutes of the Annual General Meeting are taken and approved at the Meeting. The minutes, including the results of the votes, are posted on the Company's website as quickly as practicable after each General Meeting.

## V.5. DIVIDEND POLICY

### Principle

It is the policy of the Board to propose a profit appropriation to the Annual General Meeting which, insofar as the profit permits, provides a stable or growing dividend while maintaining an adequate level of cash flow in the Company for investment and self-financing in order to support future growth. In practice, this means that the Company seeks to maintain a pay-out ratio of around 40% of the result for the period attributable to the Group over the longer term.



## **PART VI: EXTERNAL SUPERVISION**

## VI.1. REGULATORY SUPERVISION

### FSMA

The Company, as a Belgian company listed on NYSE Euronext Brussels, is subject to the regulatory supervision by the Financial Services and Markets Authority ("FSMA"; [www.fsma.be](http://www.fsma.be)), one of two supervisory authorities of the Belgian financial sector.

### NYSE Euronext

The Company's shares are quoted on the NYSE Euronext Brussels stock exchange, a member of NYSE Euronext ([www.euronext.com](http://www.euronext.com)). As such the Company is subject to the NYSE Euronext rules and supervision.

## VI.2. STATUTORY AUDITOR

### VI.2.1. External Audit

The Company appoints its Statutory Auditor in accordance with the Companies Code for a three-year, renewable term of office.

The consolidated Group accounts are reviewed by the same auditor. The Group recognizes the importance of a relationship of trust with its Statutory Auditor, and therefore values consistency in approach and continuity of highly qualified, responsible external auditors.

The renewal of the term will be subject to a thorough review of the quality of service on a worldwide basis and competitiveness. The individual auditors should not be appointed for more than three terms of three years. The worldwide association they belong to is not subject to this limitation.

The individual consolidated Group companies will for efficiency and practical communication purposes in principle select the same worldwide association as their local statutory auditor.

The joint ventures and associates decide independently on their statutory auditors, but the Company will ensure sufficient quality to guarantee adequate IFRS reporting and sufficient comfort for the Group Statutory Auditor and the Board.

### VI.2.2. Reporting by Statutory Auditor

The Statutory Auditor has regular meetings (at least two per year) with the Chairman, with the CEO and the CFO, and with the AFC.

### VI.2.3. Supervision of Statutory Auditor

The Statutory Auditor is subject to the rules of the IBR (*Instituut van de Bedrijfsrevisoren*).

The provision of non-audit services by a Statutory Auditor is either forbidden (e.g. strategic advice) or subject to approval by the AFC. In general non-audit services cannot represent more than the audit fees as approved by the General Meeting of Shareholders.

## Appendix 1. Nomination Procedure and Selection Criteria for Directors

When a Director's office is scheduled to become available, the NRC should discuss the following elements in order to allow the Chairman sufficient time to lead the nomination process:

- the intention to recommend to the Board to add a new Director, or to replace or re-appoint an incumbent Director;
- the need for a non-executive or executive Director;
- the independence requirements (cf. section II.2.4 of the CG Charter);
- the competency profile of the individual and the selection criteria;
- the expected timetable.

The Chairman reports to the NRC on the progress made (e.g. long and short list of candidates, external support used, etc.) in order to allow the NRC to make a reasoned recommendation to the Board.

## Appendix 2. Induction Procedure for New Directors

The induction program for a new Director comprises:

- a formal meeting with the Chairman;
- a formal meeting with the CEO covering at least the strategic guidelines the Group is currently implementing, the main challenges in the short and longer term for the Group and any items the new Director might have put on the agenda;
- a formal meeting with each of the members of the BGE, who will give an overview of their field of activity, business challenges and opportunities, major projects under way and key performance indicators;
- a visit to the Group's headquarters including an extensive overview of the Group's product range in the Company's visitors centre;
- a formal meeting with the Statutory Auditor;
- a formal meeting with the Company Secretary for an introduction to the CG Charter, an overview of major elements of applicable law, the Group's D&O insurance policy and all elements affecting the new Director's personal position by taking office;
- any specific item the new Director requests with the Chairman's consent.

The Director will furthermore participate in plant visits and updates of IFRS rules as they are organized on a regular basis for all Directors.

Appendix 3. Bekaert Code of Conduct

## Appendix 4

### **NV Bekaert SA**

(the "Company" or "Bekaert")

#### **BEKAERT DEALING CODE**

Rules on dealing in Bekaert financial instruments  
by Bekaert directors, officers and employees, and certain of their family members.  
(the "Code")

Approved by the Board of Directors on 28 July 2016, effective 3 July 2016

**This document is important and requires your attention. Please read this document carefully and if you have any questions please address them to Isabelle Vander Vekens, dealing code officer, at [isabelle.vandervekens@bekaert.com](mailto:isabelle.vandervekens@bekaert.com).**

- It is illegal to trade in securities, or to recommend anyone to do so, if you are in possession of inside information. It is also illegal to disclose inside information to anyone except in special circumstances. Doing any of these things could expose you to severe consequences, including criminal sanctions. And if the inside information relates to Bekaert, violations by you could also cause damage (including reputational damage) to Bekaert.
- Because of that, Bekaert, like all other listed companies, has adopted this "dealing code", which contains a number of rules that you (and, in certain cases, certain members of your close family) will need to observe.
- Different rules apply to different categories of Bekaert directors, officers or employees, and you will need to determine what is relevant to you. Also, some of the rules are based on legal concepts that are technical in nature and need to be carefully considered. The key technical terms are highlighted in blue throughout this document, and you should refer to the glossary in **Annex 1** to this Code for their exact meaning.
- In very brief summary, the key rules are as follows:
  - (a) If you have inside information (being non-public information relating to Bekaert or to bonds or shares of Bekaert that is precise and would impact the price of these securities if it were known), then you cannot trade in these securities or any related financial instrument. You cannot disclose that information or recommend anyone to trade either.
  - (b) There are "closed periods" during which certain categories of Bekaert employees cannot trade (even if they do not have inside information). The periods are (1) from 1 January to the announcement of full year results, (2) the 30 days period preceding announcement of the half-year results, and (3) the 30 days period preceding the first and third quarter trading update. The employees concerned are, on the one hand, directors and certain senior officers (which this Code refers to as the leading managers) and employees involved in the preparation of the financial statements (which this code refers to as the financial information circle).

- (c) If you are a leading manager, then you must notify any transactions in Bekaert financial instruments to Bekaert and to the FSMA, the Belgian securities and markets regulator. Your close family members need to do so too. Please review carefully the list of notifiable transactions in **Annex 4** to this Code.
- The above is a summary only. The actual rules contain nuances, conditions and exceptions that may well be relevant to your situation. You need to read the full Code. If you are in any doubt as to how to apply or interpret the Code, please reach out to Isabelle Vander Vekens, dealing code officer, at [isabelle.vandervekens@bekaert.com](mailto:isabelle.vandervekens@bekaert.com).
  - In addition, this Code is limited to an overview of the key duties under the European and Belgian insider dealing legislation. It does not constitute a legal advice and may not be relied upon as such. All directors, officers, employees, and certain of their family members are personally responsible for ensuring that their conduct is at all times in full compliance with the European and Belgian insider dealing legislation, and must seek personal legal advice where appropriate.

\* \* \*



## 1. Prohibitions

1.1. **General prohibition.** No person may, for his or her own account or for the account of a third party:

- (a) use [inside information](#) by, directly or indirectly, acquiring or disposing of [financial instruments](#);
- (b) use [inside information](#) by cancelling or amending an order concerning a [financial instrument](#) where the order was placed before the person concerned possessed [inside information](#);
- (c) recommend or induce, on the basis of [inside information](#), another person to, directly or indirectly, acquire or dispose [financial instruments](#);
- (d) recommend or induce, on the basis of [inside information](#), another person to cancel or amend an order concerning a [financial instrument](#); or
- (e) communicate [inside information](#) to a third party, except where the disclosure is made in the normal exercise of the disclosing person's employment, profession or duties.

1.2. **Closed periods.** [Leading managers](#) and persons included in the [financial information circle](#) may not, directly or indirectly, conduct any transactions relating to [financial instruments](#), for their own account or for the account of a third party, during a [closed period](#), except as set forth in Section 1.6.

The [dealing code officer](#) will give prior written notice to the [leading managers](#) and the persons included in the [financial information circle](#) as follows:

- (a) no later than 20 December of each financial year: of the starting and end dates of each of the four [closed periods](#) for the following financial year; and
- (b) prior to the beginning of each individual [closed period](#): of the starting and end dates of that [closed period](#).

The [dealing code officer](#) may in his or her full discretion decide to extend the [closed periods](#) by giving written notice to the [leading managers](#) and the persons included in the [financial information circle](#) of the starting and end dates of any such extended [closed period](#).

1.3. **Prohibited periods.** [Occasional insiders](#) and any other [leading managers](#) may not, directly or indirectly, conduct any transactions relating to [financial instruments](#), for their own account or for the account of a third party, during a [prohibited period](#).

The [dealing code officer](#) will give written notice to the [occasional insiders](#) and any other [leading managers](#) of the starting and end dates of any [prohibited period](#).

1.4. **Qualifying trading mandates.** The prohibitions referred to in Sections 1.1(a) and 1.3 do not apply to transactions effected pursuant to a [qualifying trading mandate](#).

1.5. **Performance share units.** Without prejudice to Section 1.1, the prohibitions referred to in Sections 1.2 and 1.3, do not apply to the grant of performance share units by the Company to leading managers, persons included in the financial information circle and occasional insiders, as the case may be, nor to the acquisition of performance shares, upon the vesting of such performance shares units, by such leading managers, persons included in the financial information circle or occasional insiders, as the case may be.

- 1.6. **Clearance to trade during closed periods.** Without prejudice to the prohibitions set forth in Sections 1.1(a), 1.1(b), and 1.3, the [dealing code officer](#) may give clearance to [leading managers](#) and persons included in the [financial information circle](#) to conduct transactions relating to [financial instruments](#), for their own account or for the account of a third party, during a [closed period](#):
- (a) if that [leading manager](#) or person included in the [financial information circle](#) is confronted with exceptional circumstances, such as severe financial difficulties which require the immediate sale of shares and is able to demonstrate that the particular transaction cannot be executed at another moment in time than during the [closed period](#);
  - (b) for the transfer or receipt, directly or indirectly, of [financial instruments](#), provided that the [financial instruments](#) are transferred between two accounts of the [leading manager](#) or person included in the [financial information circle](#) and that such a transfer does not result in a change in price of the [financial instruments](#); or
  - (c) for certain transactions in connection with employee share option plans issued by the Company, subject to the conditions as set forth in **Annex 6** to this Code.

The determination of whether circumstances are exceptional for the purposes of Section 1.6(a), or whether the transactions fall under any of the exceptions provided under Section 1.6(b) or 1.6(c), should be made by the [dealing code officer](#), taking into account the requirements under the [MAR](#). A non-exhaustive list of circumstances pursuant to which clearance to conduct transactions relating to [financial instruments](#) during a [closed period](#) may be granted is included in **Annex 6** to this Code.

The [dealing code officer](#) will generally give a general advance clearance to all [leading managers](#) and persons included in the [financial information circle](#) for the acceptance of options by such persons under the Company's share option plans during [closed periods](#), subject always to the requirements as set forth in **Annex 6** to this Code.

## 2. Notifications

### 2.1. **Leading managers.** The [dealing code officer](#) will:

- (a) notify [leading managers](#) from time to time that they are a [leading manager](#) for the purposes of this Code and advise them of their duties;
- (b) require [leading managers](#) to draw up a list of their [closely associated persons](#), to provide such list of their [closely associated persons](#) and any updates thereof to the [dealing code officer](#) and to advise their [closely associated persons](#) of their duties by sending them the form attached as **Annex 7** to this Code; and
- (c) keep a list of all [leading managers](#) and their [closely associated persons](#).

### 2.2. **Closely associated persons.** [Leading managers](#) must:

- (a) notify their [closely associated persons](#) from time to time that they are [closely associated persons](#) for the purposes of this Code, and advise them of their duties, by sending them the form attached as **Annex 7** to this Code; and
- (b) draw up and maintain a list of their [closely associated persons](#), in the form attached as **Annex 8** to this Code, and provide such list to the [dealing code officer](#).

2.3. **FSMA notification.** [Leading managers](#) and their [closely associated persons](#) must notify the [dealing code officer](#) and the [FSMA](#) of each [notifiable transaction](#) through the [FSMA](#) eMT application available via <https://portal-fimis.fsma.be/en/Account/HomePublic> no later than three business days after the date of such [notifiable transaction](#).

### 3. Insider Lists

3.1. If any employee, officer or director of the Company becomes aware of information which he or she believes may constitute [inside information](#), he or she must notify the [dealing code officer](#) who will, as the case may be, determine whether or not the information constitutes [inside information](#).

3.2. If the [dealing code officer](#) determines that the Company and/or any of its directors, officers or employees are in possession of [inside information](#) (pursuant to a notification as set forth in Section 3.1 or otherwise), the [dealing code officer](#) shall promptly draw up and maintain an insider list of all [occasional insiders](#), notify the [occasional insiders](#) that they are an [occasional insider](#) and notify the [occasional insiders](#) and any other [leading manager](#) of the start of a [prohibited period](#), and take all reasonable steps to ensure that they acknowledge in writing the legal and regulatory duties entailed and are aware of the sanctions applicable to insider dealing and unlawful disclosure of [inside information](#).

\* \* \*

#### List of Annexes to this Code:

1. Definitions
2. Dealing code officer contact details
3. Financial instruments
4. Notifiable transactions
5. Qualifying trading mandate
6. Permissible transactions
7. CAP notification form
8. List of leading managers and closely associated persons

## Annex 1 - Definitions

"closed period" means

- (a) the period from 1 January until the announcement of the Company's annual results for the previous financial year;
- (b) the period of 30 days immediately preceding the trading update for the first quarter of the current financial year;
- (c) the period of 30 days immediately preceding the announcement of the Company's results for the first half of the current financial year; and
- (d) the period of 30 days immediately preceding the trading update for the third quarter of the current financial year.

"closely associated person" means a person closely associated with a [leading manager](#) as defined in Article 3(26) MAR, *i.e.*:

- (a) a spouse of a [leading manager](#), a partner considered to be equivalent to a spouse in accordance with the relevant national law, or any other factual cohabitant (*feitelijk samenwonende/cohabitant du fait*);
- (b) a dependent child of a [leading manager](#), in accordance with the relevant national law;
- (c) a relative of a [leading manager](#) who has shared the same household for at least one year on the date of the [notifiable transaction](#) concerned; or
- (d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a [leading manager](#) or one of the persons referred to above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

A list of [closely associated persons](#) is drawn up and updated from time to time by the [dealing code officer](#).

"[dealing code officer](#)" means the company secretary who is responsible for the implementation of this Code, the supervision of compliance with this Code and who is entrusted with specific tasks set forth in this Code. The contact details of the [dealing code officer](#) are set forth in **Annex 2** to this Code.

If the [dealing code officer](#) is not present, the chairman of the board of directors of the Company will act as the [dealing code officer](#) for the purposes of any notification by or to the [dealing code officer](#) or the clearance by the [dealing code officer](#) of a transaction as required by this Code.

"[financial information circle](#)" means all employees or other persons, other than [leading managers](#), who, because of their position or employment within the Company, are involved in the preparation of, or have access to, financial information that may include [inside information](#), including but not limited to: the members of the management committees of the business platforms, the management committee finance and administration, the corporate communication department, the group control department, the group legal department and the regional controllers.

A list of the [financial information circle](#) is drawn up and updated from time to time by the [dealing code officer](#).

"[financial instruments](#)" means all shares, bonds, convertible bonds, warrants, options, stock appreciation rights (SARs) or performance share units issued by Bekaert, or any other instruments, if issued by, or relating to instruments issued by, Bekaert, as further described in **Annex 3** to this Code.

"[FSMA](#)" means the Belgian Financial Services and Markets Authority.

"[inside information](#)" means information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or to one or more [financial instruments](#), and which, if it were made public, would be likely to have a significant effect on the prices of those [financial instruments](#).

Information shall be deemed to be "**of a precise nature**" if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the [financial instruments](#).

Information which, if it were made public, would be likely to have "**a significant effect on the prices**" of [financial instruments](#), shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

"[leading manager](#)" means a person discharging managerial responsibilities as defined in Article 3(25) MAR, *i.e.*, any person within the Company who is:

- (a) a member of the board of directors of the Company or the Bekaert Group Executive; or
- (b) a senior executive who is not a member of the bodies referred to above, who has regular access to [inside information](#) and power to make managerial decisions affecting the future developments and business prospects of the Company.

A list of [leading managers](#) is drawn up and updated from time to time by the [dealing code officer](#).

"[Market Abuse Regulation](#)" or "[MAR](#)" means the Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2016 on market abuse (market abuse regulation), as well as all implementing regulations and measures at European or Belgian level.

"[notifiable transactions](#)" means all transactions conducted by [leading managers](#) and their [closely associated persons](#), for their own account, relating to the [financial instruments](#), including the transactions set forth in **Annex 4** to this Code.

"[occasional insider](#)" means any person, who is in possession of [inside information](#), and who is either (i) a [leading manager](#) (ii) an employee of the Company or (iii) an individual who dedicates a substantial amount of his or her activities to the Company as a consultant or independent contractor.

"[prohibited period](#)" means a period during which the Company and/or certain of its directors, officers or employees are in possession of [inside information](#).

"[qualifying trading mandate](#)" means a securities trading mandate entrusted to an authorized financial services institution and which complies with the conditions set forth in **Annex 5** to this Code.

## **Annex 2 - Dealing Code Officer contact details**

Name: Isabelle Vander Vekens (Company Secretary)  
Telephone number: + 32 56 76 66 90  
Mobile: + 32 476 49 49 11  
Email address: [isabelle.vandervekens@bekaert.com](mailto:isabelle.vandervekens@bekaert.com)

### **Annex 3 - Financial Instruments**

- A. Transferable securities;
- B. Money-market instruments;
- C. Units in collective investment undertakings;
- D. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, interest rates or yields or other derivatives instruments;
- E. Derivative instruments for the transfer of credit risk; and
- F. Financial contracts for differences.

## Annex 4 - Notifiable Transactions

- A. Pledging or lending of [financial instruments](#);
- B. Transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of [leading managers](#) or [closely associated persons](#);
- C. Transactions made under a life insurance policy;
- D. Acquisition, disposal, short sale, subscription or exchange;
- E. Acceptance or exercise of a stock option or warrant, including of a stock option or warrant granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option or warrant;
- F. Entering into or exercise of equity swaps;
- G. Transactions in or related to derivatives, including cash-settled transactions;
- H. Entering into a contract for difference on a [financial instrument](#);
- I. Acquisition, disposal or exercise of rights, including performance share units, put and call options, and warrants;
- J. Subscription to a capital increase or debt instrument issuance;
- K. Transactions in derivatives and [financial instruments](#) linked to a debt instrument of the Company, including credit default swaps;
- L. Conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- M. Automatic or non-automatic conversion of a [financial instrument](#) into another [financial instrument](#), including the exchange of convertible bonds to shares;
- N. Gifts and donations made or received, and inheritance received;
- O. Transactions executed in index-related products, baskets and derivatives and which are linked to the Company's shares and debt instruments;
- P. Transactions executed in shares or units of investment funds, including alternative investment funds (AIFs), where the client of the fund knows, or could have knowledge of, the investment composition of the fund, and which are linked to the Company's shares and debt instruments;
- Q. Transactions executed by manager of an AIF in which the [leading manager](#) or a [closely associated person](#) has invested, where the manager of the AIF does not operate under a fully discretionary mandate;
- R. Transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a [leading manager](#) or [closely associated person](#), including but not limited to transactions effected pursuant to a [qualifying trading mandate](#); and



- S. Borrowing or lending of shares or debt instruments of the Company or derivatives or other [financial instruments](#) linked thereto.

A transaction in [financial instruments](#) linked to the shares or to debt instruments of the Company as referred to above, shall not constitute a [notifiable transaction](#), if at the time of the transaction concerned any of the following conditions is met:

- the [financial instrument](#) is a unit or share in a collective investment undertaking in which the exposure to the Company's shares or debt instruments does not exceed 20 % of the assets held by the collective investment undertaking;
- the [financial instrument](#) provides exposure to a portfolio of assets in which the exposure to the Company's shares or debt instruments does not exceed 20 % of the portfolio's assets; or
- the [financial instrument](#) is a unit or share in a collective investment undertaking or provides exposure to a portfolio of assets and the [leading manager](#) or [closely associated person](#) does not know, and could not know, the investment composition or exposure of such collective investment undertaking or portfolio of assets in relation to the Company's shares or debt instruments, and furthermore there is no reason for that person to believe that the Company's shares or debt instruments exceed the thresholds referred to above.

If information regarding the investment composition of the collective investment undertaking or exposure to the portfolio of assets is available, then the [leading manager](#) or [closely associated person](#) shall make all reasonable efforts to avail themselves of that information.

## Annex 5 - Qualifying Trading Mandate

- A. The authorized financial services institution concerned should be fully independent from the [leading manager](#) concerned;
- B. The granting, and any amendment or renewal, of the mandate must be cleared by the [dealing code officer](#);
- C. The mandate may not be granted, renewed, amended or terminated during a [closed period](#) or [prohibited period](#);
- D. There must be a reasonable cooling-off period between the granting of the mandate and its execution;
- E. The mandate must be granted for a period of minimum six months and may only be terminated before its terms, subject to clearance by the [dealing code officer](#), in exceptional circumstances;
- F. The [leading manager](#) must undertake in writing not to interfere in any way with the mandate;
- G. Transactions effected pursuant to the mandate must be disclosed to the [dealing code officer](#); and
- H. Trading under the mandate must be suspended during [closed periods](#).

## Annex 6 - Permissible transactions

- A. The award or grant of [financial instruments](#) under an employee scheme, provided that the following conditions are met:
- I. the employee scheme and its terms have been previously approved by the Company in accordance with Belgian law and the terms of the employee scheme specify the timing of the award or the grant and the amount of [financial instruments](#) awarded or granted, or the basis on which such an amount is calculated and given that no discretion can be exercised; and
  - II. the [leading manager](#) or person included in the [financial information circle](#) does not have any discretion as to the acceptance of the [financial instruments](#) awarded or granted.
- B. The award or grant of [financial instruments](#) under an employee scheme that takes place in the [closed period](#) provided that a pre-planned and organized approach is followed regarding the conditions, the periodicity, the time of the award, the group of entitled persons to whom the [financial instruments](#) are granted and the amount of [financial instruments](#) to be awarded, the award or grant of [financial instruments](#) takes place under a defined framework under which any [inside information](#) cannot influence the award or grant of [financial instruments](#).
- C. The exercise of options or warrants or conversion of convertible bonds assigned to the [leading manager](#) or the person included in the [financial information circle](#) under an employee scheme when the expiration date of such options, warrants or convertible bonds falls within a [closed period](#), as well as sales of the shares acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:
- I. the [leading manager](#) or person included in the [financial information circle](#) notifies the [dealing code officer](#) of its choice to exercise or convert at least four months before the expiration date;
  - II. the decision of the [leading manager](#) or person included in the [financial information circle](#) is irrevocable; and
  - III. the [leading manager](#) or person included in the [financial information circle](#) has received the authorization from the [dealing code officer](#) prior to proceed.
- D. The acquisition of [financial instruments](#) under an employee saving scheme, provided that all of the following conditions are met:
- I. the [leading manager](#) or person included in the [financial information circle](#) has entered into the scheme before the [closed period](#), except when it cannot enter into the scheme at another time due to the date of commencement of employment;
  - II. the [leading manager](#) or person included in the [financial information circle](#) does not alter the conditions of his participation into the scheme or cancel his participation into the scheme during the [closed period](#);
  - III. the purchase operations are clearly organized under the scheme terms and the [leading manager](#) or person included in the [financial information circle](#) has no right or legal possibility to alter them during the [closed period](#), or are planned under the scheme to intervene at a fixed date which falls in the [closed period](#).

- E. Acquisition of qualification or entitlement of shares of the Company and the final date for such an acquisition, under the Company's articles of association falls during the [closed period](#), provided that the [leading manager](#) or person included in the [financial information circle](#) submits evidence to the [dealing code officer](#) of the reasons for the acquisition not taking place at another time, and the [dealing code officer](#) is satisfied with the provided explanation.

## Annex 7 - CAP Notification Form

Re: Notification of specific obligations as a closely associated person

Dear [add name],

As a person discharging managerial responsibilities of NV Bekaert SA, as defined in Article 3(25) of the EU Market Abuse Regulation (hereinafter "MAR"), I hereby notify you of the fact that you qualify as a "closely associated person" within the meaning of Article 3(26) MAR.

As a consequence, you will need to comply with certain obligations as set forth in Article 19 MAR and the Bekaert Dealing Code, which is available online at <http://www.bekaert.com/en/investors/legal-publications/corporate-governance/charter-and-statements>.

In summary, you must notify any transaction in Bekaert financial instruments to the dealing code officer, Ms. Isabelle Vander Vekens and the FSMA, the Belgian securities and markets regulator, no later than three business days from the date of the transaction concerned.

The actual rules contain nuances, conditions and exceptions. You will need to read the full Bekaert Dealing Code. If you are in doubt as how to apply or interpret the Bekaert Dealing Code, please reach out to the dealing code officer, Ms. Isabelle Vander Vekens at [isabelle.vandervekens@bekaert.com](mailto:isabelle.vandervekens@bekaert.com).

Compliance with these obligations is of crucial importance. A violation could expose you to severe consequences, including criminal sanctions and could also cause damage (including but not limited to reputational damage) to the undersigned and Bekaert.

Kindly acknowledge receipt of this email by return email to [add email address] and [isabelle.vandervekens@bekaert.com](mailto:isabelle.vandervekens@bekaert.com).

Many thanks in advance.

Yours sincerely,

[add name]

### Annex 8 - List of Leading Managers and Closely Associated Persons

In accordance with Article 19(5) of the EU Market Abuse Regulation ("MAR"), NV Bekaert SA ("Bekaert") has drawn up a list of all persons discharging managerial responsibilities within the meaning of Article 3(25) MAR, known as "leading managers" under the Bekaert Dealing Code, and of the persons closely associated with such persons within the meaning of Article 3(26) MAR.

N.B.: In the case of corporate mandates exercised through a management company, the natural person who acts as the "permanent representative" of such management company must be listed under A as the person discharging managerial responsibilities, and the management company must be listed under C as a person closely associated to such person discharging managerial responsibilities.

<b>A. Person Discharging Managerial Responsibilities</b>						
<i>First name</i>	<i>Surname(s)</i>	<i>Date of birth</i>	<i>Nationality</i>	<i>Email address</i>	<i>Telephone number</i>	<i>Position within Bekaert</i>
<b>B. Persons Closely Associated with the Person Discharging Managerial Responsibilities (natural person)</b>						
<i>First name</i>	<i>Surname(s)</i>	<i>Date of birth</i>	<i>Nationality</i>	<i>Email address</i>	<i>Telephone number</i>	<i>Relation to PDMR</i>
<b>C. Persons Closely Associated with the Person Discharging Managerial Responsibilities (legal entities)</b>						
<i>Corporate name and legal form</i>		<i>Registered address</i>	<i>Registration number</i>		<i>Relation to PDMR</i>	