

Board of Directors & Committees

Board of Directors

The Board of Directors consists of fourteen members, who are appointed by the General Meeting of Shareholders. Eight of the Directors are appointed from among candidates nominated by the principal shareholders. The Chairman and the Chief Executive Officer are never the same individual. The Chief Executive Officer is the only Board member with an executive function. All other members are non-executive Directors.

Three of the Directors are independent in accordance with the criteria of Article 526ter of the Belgian Companies Code and provision 2.3 of the Belgian Corporate Governance Code: Dr Alan Begg (first appointed in 2008), Lady Barbara Thomas Judge (first appointed in 2007), and Mr Manfred Wennemer (first appointed in 2009, independent since 1 January 2010). Sir Anthony Galsworthy (first appointed in 2004) ceased to be independent upon his appointment to a fourth consecutive term of office on 9 May 2012.

(*) the detailed résumés of the Board members are available at www.bekaert.com

The Board met on eight occasions in 2012. There were six regular and two extraordinary meetings. In addition the Board has on one occasion passed a resolution by the unanimous written consent of the Directors.

In addition to its statutory powers and powers under the Articles of Association and the Bekaert Charter, the Board of Directors discussed the following matters, among others, in 2012:

- the implications of the difficult business, economic and financial conditions on Bekaert and its long term strategy, and the Group's response;
- the business plan for 2012;
- continuous monitoring of the debt and liquidity situation of the Group;
- a major realignment program to rightsize Bekaert's global sawing wire activities and to substantially improve the cost structure of the Group;
- a review of Bekaert's technology strategy;
- the business plan for the period 2013-2015;
- the extension of the retirement age for Directors to 69 years;
- the third offer of stock options in accordance with the Stock Option Plan 2010-2014 ("SOP2010-2014").

Name	First appointed	Expiry of current term	Principal occupation (*)	Number of regular/ extraordinary meetings attended
Chairman				
Baron Buysse	2000	2014	NV Bekaert SA	6/2
Chief Executive Officer				
Bert De Graeve	2006	2015	NV Bekaert SA	6/2
Members nominated by the principal shareholders				
Baron Bekaert	1994	2015	Director of companies	6/2
Roger Dalle	1998	2013	Director of companies	6/2
Count Charles de Liedekerke	1997	2015	Director of companies	6/2
François de Visscher	1992	2013	President, de Visscher & Co. LLC (United States)	6/1
Hubert Jacobs van Merlen	2003	2015	President & CEO, IEE SA (Luxembourg)	3/1
Maxime Jadot	1994	2015	CEO and Chairman of the Executive Board, BNP Paribas Fortis, Belgium	5/1
Bernard van de Walle de Ghelcke	2004	2013	Of Counsel, Linklaters LLP (Belgium)	6/2
Baudouin Velge	1998	2013	Managing Partner, Interel	6/1
Independent Directors				
Dr Alan Begg	2008	2014	Senior Vice President Group Technology and Development, SKF (Sweden)	6/2
Lady Barbara Thomas Judge	2007	2013	Chairman of the UK Pension Protection Fund (United Kingdom) Chairman Emeritus of the UK Atomic Energy Authority (United Kingdom)	5/1
Manfred Wennemer	2009	2015	Director of companies	6/2
Other Directors				
Sir Anthony Galsworthy	2004	2014	Advisor to Standard Chartered Bank (United Kingdom)	6/2

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Committees of the Board of Directors

Committees of the Board of Directors

The Board of Directors has established three advisory Committees.

Audit and Finance Committee

The Audit and Finance Committee is composed as required by Article 526bis §2 of the Companies Code: all of its four members are non-executive Directors and one member, Lady Judge, is independent. Her competence in accounting and auditing is demonstrated by her position as vice chairman of the Financial Reporting Council, the British accounting and corporate governance regulator, which she held until the end of 2007. Contrary to provision 5.2/3 of the Belgian Corporate Governance Code, the Committee is chaired by the Chairman of the Board: Bekaert wishes the Chairman to preside over all Committees, to enable him to discharge as effectively as possible his specific duties with regard to protecting the interests of all shareholders. Contrary to provision 5.2/4 of the Belgian Corporate Governance Code, according to which at least a majority of the members should be independent, Bekaert takes the view that the Audit and Finance Committee should reflect the balanced composition of the full Board.

The Chief Executive Officer and the Chief Financial Officer are not members of the Committee, but are invited to attend its meetings. This arrangement guarantees the essential interaction between the Board of Directors and executive management.

Name	Expiry of current term	Meetings attended
Baron Buysse	2014	4
François de Visscher	2013	4
Baudouin Velge	2013	4
Lady Barbara Thomas Judge	2013	4

The Committee met four times in 2012. In addition to its statutory powers and its powers under the Bekaert Charter the Committee discussed the following main subjects:

- the debt and liquidity situation;
- the activity reports of the internal audit department;
- the reports of the Statutory Auditor;
- the proposal to reappoint Deloitte as Statutory Auditor;
- the annual review of the major risks and the related mitigation plans under Bekaert's enterprise risk management program.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed as required by Article 526quater §2 of the Companies Code: all of its three members are non-executive Directors.

It is chaired by the Chairman of the Board and its two other members, Dr Begg and Lady Judge, are independent. The Committee's competence in the field of remuneration policy is demonstrated by the relevant experience of its members.

Name	Expiry of current term	Meetings attended
Baron Buysse	2014	5
Dr Alan Begg	2014	5
Lady Barbara Thomas Judge	2013	5

Two of the Directors nominated by the principal shareholders are invited to attend the Committee meetings without being members.

The Committee met five times in 2012. In addition to its statutory powers and its powers under the Bekaert Charter the Committee discussed the following main subjects:

- the remuneration of the Chairman of the Board for the period 2012-2014;
- the succession planning for senior executives;
- a review of the global HR strategies and priorities;
- a review of the Group's remuneration strategies;
- the short term variable remuneration for the Chief Executive Officer and the other members of the executive management for 2011;
- the base remuneration of the Chief Executive Officer and the other members of the executive management for 2012;
- the new organization structure of the Group.

Strategic Committee

The Strategic Committee has six members, five of whom are non-executive Directors. It is chaired by the Chairman of the Board and further consists of the Chief Executive Officer and four Directors.

Name	Expiry of current term	Meetings attended
Baron Buysse	2014	3
Bert De Graeve	2015	3
Baron Bekaert	2015	3
Count Charles de Liedekerke	2015	3
Maxime de Jadot	2015	3
Sir Anthony Galsworthy	2014	3

The Committee met three times in 2012. In addition to its powers under the Articles of Association and the Bekaert Charter, the Committee discussed the following main subjects:

- progress reports on strategic projects;
- a review of Bekaert's exposure in China;
- the strategy for tire cord for the period 2013-2015;
- the situation of the Group's debt, liquidity and working capital, and the impact on the strategy.

Evaluation & Gender diversity law

Evaluation

The main features of the process for evaluating the Board of Directors, its Committees and the individual Directors are described in paragraph II.3.4 of the Bekaert Charter. The Chairman is in charge of organizing periodic performance appraisals through an extensive questionnaire that addresses:

- the functioning of the Board or Committee;
- the effective preparation and discussion of important issues;
- the individual contribution of each Director;
- the present composition of the Board or Committee against its desired composition;
- the interaction of the Board with the executive management.

As part of the performance appraisal initiated in 2011, the Chairman discussed the responses to the questionnaire in separate meetings with each individual Director in 2012, and submitted the conclusions of the assessment, including the areas for improvement, to the full Board.

The longest serving independent Director conducted a Board evaluation of the Chairman's performance.

Gender diversity law

The Board has further discussed the actions to be taken to ensure compliance with the legal requirement that one third of its members be of the opposite gender as from 1 January 2017. The Chairman has initiated a search for female candidates.

Executive Management

Composition

As from 1 January 2013 the Bekaert Group Executive (BGE) has seven members. It is chaired by the Chief Executive Officer and further consists of six members who bear the title of Executive Vice President and who are responsible for the global business platforms, the regional operations and the global functions.

Name	Position	Appointed
Bert De Graeve	Chief Executive Officer	2006
Bruno Humblet	Chief Financial Officer and Executive Vice President Regional Operations Latin America	2006
Dominique Neerinck	Chief Technology Officer and Executive Vice President	2006
Curd Vandekerckhove	Executive Vice President Regional Operations North Asia and South East Asia	2012
Henri Jean Velge	Executive Vice President Business Platforms	1998
Frank Vromant	Executive Vice President Regional Operations Europe, North America and South Asia	2011
Bart Wille	Chief Human Resources Officer and Executive Vice President	2013

Remuneration Report

Remuneration Report

1. Description of the procedure used in 2012 for (i) developing a remuneration policy for the non-executive Directors and executive management and (ii) setting the remuneration of the individual Directors and executive managers

The remuneration policy for non-executive Directors is determined by the General Meeting of Shareholders on the motion of the Board of Directors, acting upon proposals from the Nomination and Remuneration Committee. The policy was approved by the Annual General Meeting of 10 May 2006, and amended by the Annual General Meeting of 11 May 2011.

The remuneration policy for the Chief Executive Officer is determined by the Board of Directors acting upon proposals from the Nomination and Remuneration Committee. The Chief Executive Officer is absent from this process. The Committee ensures that the Chief Executive Officer's contract with the Company reflects the remuneration policy. A copy of the Chief Executive Officer's contract is available to any Director upon request to the Chairman.

The remuneration policy for the members of the Bekaert Group Executive other than the Chief Executive Officer is determined by the Board of Directors acting upon proposals from the Nomination and Remuneration Committee. The Chief Executive Officer has an advisory role in this process. The Committee ensures that the contract of each Bekaert Group Executive member with the Company reflects the remuneration policy. A copy of each such contract is available to any Director upon request to the Chairman.

2. Statement of the remuneration policy used in 2012 for the non-executive Directors and executive management

Non-executive Directors

The remuneration of the non-executive Directors is determined on the basis of six regular meetings of the full Board of Directors per year. A portion of the remuneration is paid on the basis of the number of regular meetings attended in person by the non-executive Director.

Non-executive Directors who are members of a Board Committee receive a fee for each Committee meeting attended in person. As an executive Director the Chief Executive Officer does not receive such attendance fee. The Chairman of a Committee receives double the amount of such fee, except if he is also the Chairman of the Board of Directors.

If the Board of Directors requests the assistance of a Director in a specific matter on account of his or her independence and/or competence, such Director will be entitled, in respect of each session warranting specific travel and time, to a remuneration equal to the applicable amount payable in respect of a Board Committee meeting attended in person.

The actual amount of the remuneration of the Directors is determined by the Annual General Meeting for the running financial year.

The remuneration of the Directors is regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international references, in order to ensure that persons with competences matching the Group's international ambitions can be attracted.

Non-executive Directors are not entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits, nor to any other type of variable remuneration except as described above in respect of Board or Committee meetings attended in person.

Expenses that are reasonably incurred in the performance of their duties are reimbursed to Directors, upon submission of suitable justification. In making such expenses, the Directors should take into account the standards applicable within the Group.

The remuneration of the Chairman of the Board of Directors is determined at the beginning of his term of office, and is set for the duration of such term. On the motion of the Nomination and Remuneration Committee, it is determined by the Board subject to approval by the Annual General Meeting. In making its proposal, the Committee should consider a clear description of the duties of the Chairman, the professional profile that has been attracted, the time expected to be effectively available for the Group, and an adequate remuneration corresponding to the formulated expectations and regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international references. The remuneration can comprise a cash remuneration as well as a deferred income scheme. The Chairman, when attending or chairing the meetings of a Board Committee, will not be entitled to any additional remuneration as this is deemed to be

included in his global remuneration package.

Bekaert does not expect its present remuneration policy for the Chairman and for the other non-executive Directors to undergo significant changes in 2013 and 2014.

The main elements of the Group's executive remuneration policy are base remuneration, short term, mid term and long term variable remuneration, pension and other components. The Group offers competitive total remuneration packages with the objective to attract and retain the best executive and management talent in every part of the world in which the Group is operating. The remuneration of the executive managers is regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international references.

A strong focus on performance and achievements at Group, Team and Individual level is reflected in the short term variable remuneration program, which is directly linked to the annual business objectives.

The Group's mid term and long term variable remuneration programs aim at rewarding managers and executives for their contribution to the creation of enhanced shareholder value over time. Those programs are typically linked to the Company's longer term performance and to the future appreciation of the Company's shares.

The remuneration package of the Chief Executive Officer consists of a base remuneration, short term, mid term and long term variable remuneration, pension and other components. The remuneration package aims to be competitive and is aligned with the responsibilities of a Chief Executive Officer leading a globally operating industrial group with various business platforms.

The Nomination and Remuneration Committee recommends each year a set of objectives directly derived from the business plan and from any other priorities to be assigned to the Chief Executive Officer. These objectives include both Group and individual financial and non-financial targets and are measured over a predetermined time period (up to three years). Those objectives, and the year-end evaluation of the achievements, are documented and submitted by the Committee to the full Board. The final evaluation leads to an assessment, based on measured results, by the Board of Directors of all performance-related elements of the remuneration package of the Chief Executive Officer.

The remuneration package of the Bekaert Group Executive members other than the Chief Executive Officer consists of a base remuneration, short term, mid term and long term variable remuneration, pension, and other components. The remuneration package aims to be competitive and is aligned with the role and responsibilities of each Bekaert Group Executive member, being a member of a team leading a globally operating industrial group with various business platforms.

The Chief Executive Officer evaluates the performance of each of the other members of the Bekaert Group Executive and submits his assessment to the Nomination and Remuneration Committee. This evaluation is done annually based on documented objectives directly derived from the business plan and taking into account the specific responsibilities of each Bekaert Group Executive member.

The achievements measured against those objectives will determine all performance-related elements of the remuneration package of each Bekaert Group Executive member other than the Chief Executive Officer. The objectives include both Group and individual financial and non-financial targets and are measured over a predetermined time period (up to three years).

The actual amount of the remuneration of the Chief Executive Officer and the other members of the Bekaert Group Executive is determined by the Board of Directors acting on a reasoned recommendation from the Nomination and Remuneration Committee.

Bekaert regularly evaluates its overall remuneration policies, in order to ensure alignment with the business environment as well as with legislative requirements. It does not expect its present remuneration policy for the Chief Executive Officer and for the other members of the executive management to undergo significant changes in 2013 and 2014

3. Remuneration of the Directors in respect of 2012

The amount of the remuneration and other benefits granted directly or indirectly to the Directors, by the Company or its subsidiaries, in respect of 2012 is set forth on an individual basis in the table below.

The remuneration of the Chairman for the performance of all his duties in the Company was a set amount of € 500 000.

The remuneration of each Director, except the Chairman, for the performance of his duties as a member of the Board was a set amount of € 38 000, and an amount of € 2 500 for each meeting of the Board attended in person.

The remuneration of each Director, except the Chairman and the Chief Executive Officer, for the performance of his duties as a member of a Board Committee was an amount of € 1 500 for each Committee meeting attended in person.

	in €	Set amount	Amount for Board attendance	Amount for Committee attendance	Total
Chairman					
Baron Buysse		500 000			500 000
Directors					
Alan Begg		38 000	20 000	7 500	65 500
Baron Bekaert		38 000	20 000	4 500	62 500
Roger Dalle		38 000	20 000	-	58 000
Bert De Graeve		38 000	20 000	-	58 000
Count Charles de Liedekerke		38 000	20 000	4 500	62 500
François de Visscher		38 000	17 500	6 000	61 500
Sir Anthony Galsworthy		38 000	20 000	4 500	62 500
Hubert Jacobs van Merlen		38 000	10 000	-	48 000
Maxime Jadot		38 000	15 000	4 500	57 500
Lady Barbara Thomas Judge		38 000	15 000	13 500	66 500
Bernard van de Walle de Ghelcke		38 000	20 000	-	58 000
Baudouin Velge		38 000	17 500	6 000	61 500
Manfred Wennemer		38 000	20 000	-	58 000
Total Directors' Remuneration					1 280 000

4. Remuneration of the Chief Executive Officer in respect of 2012 in his capacity as a Director

In his capacity as a Director, the Chief Executive Officer is entitled to the same remuneration as the non-executive Directors, except the remuneration for attending Board Committee meetings for which he receives no compensation (cf. the table above). The remuneration received by the Chief Executive Officer as a Director is included in the base remuneration mentioned in the next table.

5. Performance-related remuneration: criteria, term and method of performance evaluation

The remuneration package of the Chief Executive Officer and the other members of the Bekaert Group Executive comprises three performance related elements:

- a short term variable remuneration, with objectives related to the annual business plan. Those objectives include a weighted average of both Group and individual financial and non-financial targets, which are evaluated annually by the Board against pre-agreed criteria;
- a mid term variable remuneration, with objectives related to the business plan for the next three-year period. Those objectives measure Bekaert's absolute performance against the plan, as well as its relative performance against a relevant panel of other companies. The achievement of those objectives is evaluated by the Board at the end of each three-year period, against pre-agreed criteria;
- a long term variable remuneration, in the form of the offer of a variable amount of stock options (cf. paragraph 8 below).

6. Remuneration of the Chief Executive Officer in respect of 2012

The contract between the present Chief Executive Officer and the Company was executed on 18 January 2006.

The amount of the remuneration and other benefits granted directly or indirectly to the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2012 is set forth below. In the context of the business challenges the Company is facing, the CEO has waived any short term variable remuneration in respect of 2012.

Bert De Graeve	Remuneration in respect of 2012, in €	Comments
Base remuneration	830 200	Includes Belgian base remuneration as well as Belgian and foreign director fees (1)
Short term variable remuneration (2)	0	Annual variable remuneration, based on 2012 performance
Mid term variable remuneration (3)	0	Mid term variable remuneration, based on 2010-2012 performance
Pension	168 600	Defined Contribution Plan
Other remuneration elements	65 100	Includes: company car and risk insurances
Long term variable remuneration	24 000 stock options	Number of stock options granted

(1) The base remuneration includes the remuneration received by the Chief Executive Officer in his capacity as a Director

(2) In 2012 a short term variable remuneration of € 332 500 was paid, based on 2011 performance

(3) In 2012 a mid term variable remuneration of € 25 000 was paid, based on 2009-2011 performance

7. Remuneration of the other Bekaert Group Executive members in respect of 2012

The amount of the remuneration and other benefits granted directly or indirectly to the Bekaert Group Executive members other than the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2012 (five members) is set forth below on a global basis. In the context of the business challenges the Company is facing, the members of the Bekaert Group Executive have waived any short term variable remuneration in respect of 2012.

Five Group Executive Vice Presidents	Remuneration in respect of 2012, in €	Comments
Base remuneration	1 808 000	Includes Belgian base remuneration as well as Belgian and foreign director fees
Short term variable remuneration (1)	0	Annual variable remuneration, based on 2012 performance
Mid term variable remuneration	0	Mid term variable remuneration, based on 2010-2012 performance
Pension	236 000	Defined Contribution Plan and Defined Benefit Plan
Other remuneration elements	75 000	Includes company cars and risk insurances

(1) In 2012 a short term variable remuneration of € 450 700 was paid, based on 2011 performance

(2) In 2012 a mid term variable remuneration of € 110 900 was paid, based on 2009-2011 performance

8. Stock options for executive management granted in 2012

The number of stock options granted to the Chief Executive Officer and the other members of the Bekaert Group Executive in 2012, and the number of options exercised by them or forfeited in 2012 are set forth on an individual basis in the table below.

The stock options granted to the Chief Executive Officer and the other Bekaert Group Executive members are based on the SOP 2010-2014 plan that was proposed by the Board of Directors and approved by a Special General Meeting in 2010. The plan offers options to acquire existing Company shares. There is one offer of options in December in each of the years 2010 through 2014, and the options are granted on the 60th day following the date of their offer (i.e. in February of the following year). The aggregate number of options to be offered is determined each year by the Board of Directors on the motion of the Nomination and Remuneration Committee. The number of options to be offered to each individual beneficiary is variable in part, based on an assessment of such person's long term contribution to the success of the Company. The options are offered to the beneficiaries free of charge. Each accepted option entitles the holder to acquire one existing share of the Company against payment of the exercise price, which is conclusively determined at the time of the offer and which is equal to the lower of: (i) the average closing price of the Company shares during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer. The exercise price of the stock options granted in 2012 is € 25.14. Subject

to the closed and prohibited trading periods and to the plan rules, the options can be exercised as from the beginning of the fourth calendar year following the date of their offer until the end of the tenth calendar year following the date of their offer.

The stock options that were exercisable in 2012 are based on the predecessor plans to the SOP 2010-2014 plan. The terms of such earlier plans are similar to those of the SOP 2010-2014 plan, but the options that were granted to employees took the form of subscription rights entitling the holders to acquire newly issued Company shares, while self-employed beneficiaries are entitled to acquire existing shares as in the SOP 2010-2014 plan.

Name	Number of stock options granted in 2012	Number of stock options exercised in 2012	Number of stock options forfeited in 2012
Bert De Graeve	24 000	-	-
Bruno Humblet	15 000	-	-
Dominique Neerinck	9 000	-	-
Curd Vandekerckhove	8 000	-	-
Henri-Jean Velge	12 000	-	-
Frank Vromant	12 000	-	-

Other than the stock options referred to above, no shares or rights to acquire shares are granted to the Chief Executive Officer or to any other member of the Bekaert Group Executive.

9. Severance pay for executive management

Belgian law and normal practice are the basis for the severance arrangements with the executive managers, except for the Chief Executive Officer and the Chief Financial Officer whose contractual arrangements, entered into at the time of their appointment, provide for notice periods of 24 and 12 months respectively.

10. Departure of executive managers

No member of the executive management left the Group in 2012.

11. Company's right of reclaim

There are no provisions allowing the Company to reclaim any variable remuneration paid to executive management based on incorrect financial information.