

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

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

The BGE acts under the supervision of the Board and is in charge of implementing the decisions of the Board.

The responsibilities of the BGE, under the leadership of the CEO, include:

- the running of the Company;
- the implementation of internal controls (i.e. mechanisms to identify, assess, manage and monitor financial and other risks) without prejudice to the Board's monitoring role, based on the framework approved by the Board;
- the presentation of complete, timely, reliable and accurate financial statements to the Board, in accordance with the applicable accounting standards and policies of the Company;
- the preparation of the required disclosure of the financial statements and other material financial and non-financial information;
- the presentation of a balanced and understandable assessment of Bekaert's financial situation to the Board; and
- the provision, in a timely fashion, of all necessary information to the Board for it to carry out its duties.

The BGE shall formulate proposals to the Board in relation to the Company's strategy and its implementation. The BGE shall have sufficient latitude to implement the approved strategy in accordance with the Company's risk appetite.

The Board has delegated special operational powers to the BGE, under the leadership of the CEO.

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

#### **IV.2. COMPOSITION**

The BGE is composed of members representing global business units and global functions. 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, in consultation with the CEO, acting on the recommendation of the NRC, and taking into account the need for a balanced executive team, 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 has been delegated certain special powers by the Board of Directors.

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 Chairperson

The CEO should

- establish an effective relationship with the Board and the Chairperson;
- interact with the Board to identify and capture new business opportunities;
- consult with the Chairperson regarding the preparation of the annual Board calendar, and the agendas and documents for Board meetings;
- provide the Chairperson 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 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. 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, half of its members have to be present or represented by proxy.

The BGE acts as a collegial body. It can pass its resolutions by a simple majority vote. However, in case of a deadlock 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 Chairperson 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, and place it above their own.

The members of the BGE have the duty to look after the interests of all shareholders on an equivalent basis. Each member of the BGE should act according to the principles of reasonableness and fairness. When the BGE takes a decision, members of the BGE should disregard their personal interests.

##### **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 interest in relation to the members of the BGE**

Members of the BGE should not directly nor indirectly compete or cause third parties to compete with the Company or the Group. They should not use business opportunities intended for the Company for their own benefit.

Each member of the BGE should, in particular, be attentive to conflicts of interest that may arise between Bekaert, its Directors, the members of the BGE, its principal shareholder and other shareholders.

To the extent possible, members of the BGE should try to avoid direct or indirect conflicts of interest between themselves, or individuals, legal entities or organizations to which they are closely linked, and the Company or the Group.

The BGE should act in such a manner that a conflict of interest, or the appearance of such a conflict, is avoided.

Each member of the BGE should inform the BGE of any conflict of interest that could in his view affect his capacity of judgement. In particular, at the beginning of each BGE meeting, members of the BGE should declare whether they have any conflict of interest regarding the items on the agenda.

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 interest 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 Group companies (subsidiaries, joint ventures or associates) 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 Chairperson on the motion of the CEO.

To the extent relevant, the provisions regarding conflicts of interest of the Directors *mutatis mutandis* apply to the members of the BGE.

#### IV.6.3. Related party transactions

Reference is made to Section II.6.3.

#### IV.6.4. 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.

The provisions regarding the duty of confidentiality of the Directors *mutatis mutandis* apply to the members of the BGE.

### IV.7. REMUNERATION

The remuneration policy for the CEO and the other members of the BGE is prepared by the NRC and submitted by the Board to the Annual General Meeting for approval. The Company will take the necessary steps to address concerns expressed by its shareholders and consider adapting its remuneration policy accordingly.