



SAPEC

**CORPORATE GOVERNANCE CHARTER
SAPEC S.A.**

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1. Introduction

The company has decided to adhere to the Belgian Code of Corporate Governance. However, the application of its principles takes into account the specific structure of the shareholder equity, in view of the fact that the majority family stake has ensured the company's stability for over eighty years. The dispensations are resumed under Heading 5.

2. Governance structure

2.1. Board of Directors

2.1.1. Composition

The Board of Directors is comprised of nine to ten members :

- five directors, appointed on the proposal of the family shareholders;
- one or two non-executive director(s), appointed on the proposal of Cobepa;
- two or three non-executive directors, two of which are independent, chosen for their experience.

The Chairman of the Board (Chairman) and the Chief Executive Office (CEO) are chosen from among the directors appointed on the proposal of the family shareholders.

2.1.1.1. Criteria and procedures of appointment and renewal

The duration of the terms of office of the directors is laid down in the memorandum and articles of association at a maximum of 6 years. At present, the terms of office run for three years. The appointment of new directors shall fulfil objective criteria. The age limit is fixed at 75 years. In the best interests of the company, the Board may however depart from these limits as long as these exemptions are justified.

2.1.1.2. Independence criteria

A director is considered to be independent when, generally speaking, his relations with the company or other companies are not of a nature to jeopardize his independence. Independence is evaluated according to the criteria below. A director :

- must not be, or have been over the past three years, an executive director or an employee of the company or of a related company ;
- must not receive a significant remuneration from the company or a related company, other than that received as a non executive director ;
- must not hold more than 10% of the shares of the company, nor be an executive director or manager of a legal entity holding more than 10% of the company's shares;
- must not have or have had over the last year, significant business relations with the company or a related company, whether directly or as an associate, shareholder, director or managing executive of an entity that has entered into these type of relations ;
- must not be, or have been over the past three year, an associate or employee of the auditor of the company or of a related company ;
- must not accumulate directorships nor have significant links with other directors via a participation in other companies. ;
- must not be a close relative of an executive director or of persons in the situations described above.

2.1.1.3. Evaluation

The Board regularly evaluates its size, composition, proceedings and its relations with the managers as an organ of the company, as well as the individual contribution of each director to the overall running of the company, in order to permanently improve the effectiveness of its activities and its contribution to the good governance of the company and of its group.

2.1.1.4. Training of new directors

Under the supervision of the Chairman, new directors receive extensive information about the company and its activities in order to allow them to carry out their mandate with the required efficiency as quickly as possible. They follow a training programme which extent is determined by the Board, on the recommendations of the Appointments and Remuneration Committee.

2.1.2. Mission

Without prejudice to its legal and statutory powers and those of the general meeting, the Board of Directors :

- determines the strategy and the values of the company, approves its plans and its budgets ;
- rules on important financial transactions, acquisitions and disinvestments ;
- ensures the setting up of the appropriate structures, procedures and controls to achieve the objectives of the company and correctly manage the risks ;
- monitors and examines the performance of day to day management ;
- ensures efficient communication with the shareholders of the company and other interested parties.

2.1.3. Role of the Chairman

The Chairman ensures the balanced composition of the Board and is responsible for its procedures and smooth running. He represents the company, along with the CEO, by nurturing contacts with certain important external partners. He maintains a close dialogue with the CEO and the top managers of the main subsidiaries. In close cooperation with the CEO, he heads up the group's strategic development process and the executive training programme.

2.1.4. Organisation

The Board of Directors meets at least four times a year. Additional meetings are organised as required. The decisions of the Board of Directors are taken by a majority of votes, with the Chairman having the casting vote in the event of a tie. The Secretary of the Board attends the meetings and draws up the draft minutes in readiness for their approval by the Board during the following meeting. He assists the Chairman of the Board with the preparation of the meetings, ensures the safekeeping of the minutes that he keeps available for directors, ensures respect for the proceedings of the Board and, generally speaking, the application of the laws and regulations applicable to the Board of Directors.

2.1.5. Delegation of powers

The company is validly committed with regard to third parties by two directors. The company is also validly represented by the special representatives within the limits of the power of attorney granted to them. In the internal decision-making process, the principle of the double signature is applied with the exception of documents and commitments of minor importance.

2.1.6. The Board Committees

The Board has set up two consultative committees, composed mainly of independent directors.

2.1.6.1. The Audit Committee

The Audit Committee is comprised of three non-executive directors, including two independent directors. The Chairman and the CEO are invited to attend the meetings. The missions of the Audit Committee mainly cover control of the company's financial statements, risk management (including the risks linked to respect for legislations) and the effectiveness of the internal and external audits. The Committee reads all reports drawn up by the auditors of the subsidiaries whose accounts are consolidated with those of the company, relating to their half yearly and annual accounting statements. The Audit Committee meets at least twice a year, once in the presence of the Auditor, and reports on its work to the Board of Directors. The Charter of the Committee, adopted by the Board, is enclosed in Annex I.

2.1.6.2. The Appointments and Remuneration Committee

The Appointments and Remuneration Committee is comprised of three members : the Chairman of the Board, who chairs the committee, and two independent directors. The CEO is invited to attend the meetings. The Committee puts forward proposals for appointments and remunerations relating to the directors and senior management for the attention of the Board and ensures that the company has official, rigorous and transparent procedures to back these decisions. The Committee meets at least once a year and reports on its work to the Board of Directors. The Charter of the Committee adopted by the Board is enclosed in Annex II.

2.1.7. Remuneration

The company has adopted a remuneration policy of a nature to attract and retain directors of the Board who have broad skills in the various fields necessary for the profitable development of the company's activities. The non-executive directors receive a fixed annual remuneration whose amount is determined by a proposal of the Appointments and Remuneration Committee. Certain directors also have an additional fixed remuneration in return for their participation in one or several Board committees. Furthermore, certain subsidiaries remunerate certain directors to sit on their Board. The executive directors receive a global remuneration within the group determined on a proposal of the Appointments and Remuneration Committee.

2.1.8. Rules of procedure

2.1.8.1. Conflicts of interest

The directors shall avoid putting themselves, whether directly or indirectly, in a situation of conflict of interest with the company or a company that it controls. If such a situation nevertheless arises, the director concerned shall inform the Chairman of any potential conflict of interest that has arisen between it and the company and shall leave the meeting during the discussion relating to it. His absence and the grounds for it are entered into the minutes of the meeting, without prejudice for respect of the legal obligations in the field.

2.1.8.2. Securities Transactions

As holders of insider knowledge or non public information about one or several listed companies, the directors are subject to the legislation applicable to insider trading and market abuses. The rules of procedures applicable to the execution of their transactions on the securities of the company/companies concerned are listed in Annex III.

2.1.8.3. Transactions with the company

Without prejudice to the rules applicable to conflicts of interest (see point 2.1.8.1.), the company shall also lay down rules of procedure relating to the transactions between a director (or a member of senior management) and the company or the companies that it controls, which feature in Annex IV.

2.1.8.4. Confidentiality

The directors undertake to respect the confidentiality of the information that they hold by virtue of their mandate, in line with the legislation in force.

2.2. Day-to-day management

2.2.1. General Management of the Group

The Board of Directors may delegate a part of its powers to one or, if necessary, two Managing Director(s). The Managing Director(s), along with the senior managers of the group, set up an Executive Committee in order to facilitate and coordinate the management of the company within the framework of this delegation of powers. Should the Board of Directors decide to appoint two Managing Directors, the Board of Directors will also appoint one of these as Chief Executive Officer (CEO) to chair the Executive Committee.

Within the framework of this delegation of powers, the Chief Executive Officer (CEO) has been entrusted by the Board of Directors with the following main tasks :

- He is responsible for the delegation of the day to day management of the company and the monitoring of the subsidiaries ;
- He ensures the smooth running of the company including that of the subsidiaries ;
- He embodies and communicates the values of the group and serves as a model to influence the conduct of senior management and of the executives ;

- He evaluates senior management and puts forward proposals to the Board Remuneration Committee relating to its development and remuneration ;
- He is granted a power of attorney by the Board of Directors for investment and disinvestment decisions for amounts lower than € 1 million ;
- He prepares and submits to the Board of Directors all important decisions to be taken and reports to it on the exercise of his mission ;
- He executes the decisions of the Board of Directors.

The Executive Committee is not a Management Committee within the meaning of article 524b of the company code. It is comprised of specialised members generally appointed from among the general management of the group or of the subsidiaries. All the members are under an employment contract and must devote themselves to the group full-time.

The role of the Executive Committee is to help the CEO to coordinate the activities of senior management. The CEO is ultimately answerable to the Board of Directors for the day to day management of the company.

The Chairman of the Board of Directors meets monthly with the CEO and the Executive Committee to follow the present business situation, examine the progress of strategic projects and prepare the meetings of the Board of Directors.

2.2.2. Remuneration of senior management.

The gross amount of the remuneration of senior management is determined globally and includes the remuneration due as an executive director, if necessary, both at Sapec and within any other company in the world in which it holds a stake.

The remuneration is broken down into a fixed part and a variable part. The variable part is linked to the net result, group share for the members of central general management or the net result of each sector for the managers concerned..

2.2.3. Rules of procedure

The rules of procedure applicable to the directors in the field of securities transactions and transactions with the company, as well as in terms of confidentiality also apply to the members of senior management (see point 2.1.8.2. to 2.1.8.4. as well as Annexes III and IV).

3. Shareholder structure

3.1. Shareholder equity and company shares

As at 1st of January 2006, the shareholder equity stands at EUR 36,600,000 and is represented by 1,355,000 fully freed up ordinary shares without designation of nominal value, including 22,682 shares with Strip.

3.2. Transparency statements

In accordance with the legislation in force and the memorandum and articles of association of the company, transparency statements must be sent to the company by all shareholders whose participation in the capital of the company, whether considered separately or within the framework of concerted action, exceeds first the threshold of 3% of the voting securities, and then 5% or a multiple of 5%. As at 31 January 2006, the structure of the share capital – in terms of voting rights – is as follows on the basis of the statements received :

LUSO HISPANIC INVESTMENT "LHI" s.a	45.09%
FINANCIERE FREDERIC JACOBS s.a.	7.81%
SOCLINPAR s.a.	1.33%
BES INVESTIMENTO s.a.	1.05%
TRANQUILIDADE s.a.	0.98%
COBEPA s.a.	15.12%
Alcatel Bell Pensioen Fonds VZW	3.10%
Own shares	0%
Public	25.52%

COBEPA S.A. acts in concert with LHI and SOCLINPAR, on the one hand, and with Financière Frédéric Jacobs, on the other. The company has no knowledge of the existence of other shareholder pacts..

3.3. Relations with the significant shareholders

Five members of the Board of Directors are appointed on the proposal of family shareholders. One (or two) member(s) of the Board is (are) appointed on the proposal of Cobepa.

4. General Meetings of Shareholders

4.1. Venue and date

The ordinary general meeting of shareholders is held on the third Tuesday of the month of June at 11 a.m. at the head office of the company. If an extraordinary general meeting proves to be necessary, the Board of Directors shall attempt to hold it immediately after the ordinary annual general meeting.

4.2. Agenda of the general meeting

The Board of Directors convenes the general meeting and fixes its agenda. The ordinary annual general meeting usually deliberates on the following points, listed in the agenda :

- The report of the Board of Directors and of the auditor on the financial year ;
- The approval of the annual accounts ;
- The fixing of the dividend of the financial year ;
- Discharge to the directors and the auditor for the financial year ;
- The determination of the number of directors : the duration of their term of office and their renewal ;
- The election of directors and of the auditor, the determination of their emoluments and fees.

The extraordinary general meeting is convened in particular for all subjects that relate to the content of the memorandum and articles of association of the company.

When the Board of Directors draws up a special report in preparation for an extraordinary general meeting, this special report is enclosed with the notice of meeting and is published.

4.3. Notice of meeting

The notice of meeting must specify the venue, the date and the time of the meeting, the agenda, the reports, the draft resolutions for each point to be voted as well as the procedure to be followed to participate in the meeting or to grant a power of attorney. Shareholders who hold nominal securities receive the notice of meeting by post at the address given along with the confirmation of attendance form and power of attorney form. Those who have opted for bearer shares are convened via the press. These notices of meeting are published in the Belgian Monitor and twice in the French-speaking and Dutch-speaking Belgian financial press (L'Echo and De Tijd).

4.4. Proceedings

4.4.1. The general meeting of shareholders is chaired by the Chairman of the Board of Directors or, in his absence, by a director designated by the Board of Directors.

The Chairman designates two scrutineers for the votes and a secretary. He chairs the deliberations in accordance with the practices applicable in Belgium to deliberating meetings. He ensures that answers are given to the questions that arise during the meeting, while ensuring respect for the agenda.

4.4.2. Voting on the resolutions of an ordinary general meeting takes place according to a simple majority of the votes of the shareholders present and represented according to the rule of « one share one vote ».

4.4.3. In a general extraordinary meeting.

To amend the memorandum and articles of association, the law provides for a quorum (including the powers of attorney) of 50% of the capital, without which a new general meeting must be convened that may deliberate even if the quorum is not reached. The voting of the resolutions requires a qualified majority of at least 75% of votes. In other cases that call for the holding of extraordinary general meetings, they must be held in accordance with the legal provisions of the Company Code.

4.4.4. The vote is public and is carried out by a show of hands. The count and the result of each vote are given immediately.

The minutes of the general meeting are drawn up and adopted by the shareholders at the end of the meeting.

They are signed by the Chairman, the secretary, the scrutineers as well as any shareholders who wish to do so.

In the event of an extraordinary general meeting, the minutes are notarised (with the exception of extraordinary general meetings for which the presence of a notary is not required by law, for example the meetings extending the authorisations to repurchase own shares).

4.4.5. The notice of meeting and notices of payment of the dividend.

The notice of meeting and the notices of payment of the dividend are published on the Internet site of the company (www.sapec.be). Copies or official extracts of the minutes of the general meeting can be obtained by shareholders on request, subject to the signature of the Chairman of the Board of Directors.

4.5. Documentation available to shareholders.

The documentation relating to the general meetings (notice of meeting, agenda, power of attorney, notice of participation, special report of the Board of Directors) is available from the head office fifteen days before the planned date.

The legal documentation is only available in French but the annual report is translated in its entirety into English.

4.6. Dividend policy

The dividend policy of SAPEC is the fruit of a balance between the yield for the shareholders and the availability of resources to finance the growth of the Group.

The annual dividend is usually paid once although the statutes allow for the possibility of distributing an interim dividend. When drawing up the annual accounts, the Board of Directors proposes a dividend that it submits for approval to the ordinary general meeting.

The shareholders who have opted for nominal shares receive the dividend automatically and free of charge by transfer to the bank account number given and on the payment date.

The shareholders who have opted for bank account or physical bearer shares receive their dividend via their bank or at their initiative according to any other arrangements they have made.

4.7. Financial communication

The company pursues an active financial communication policy. In addition to the half yearly publication of the results, it regularly informs the market of any events that can help shareholders and investors to evaluate its performances. Permanently updated financial information is posted on the Internet site in order to complete the information of the shareholders and investors, who can put their questions or ask to receive documents by e-mails. Given the strong international presence (outside Belgium) of the company and of its subsidiaries, it has chosen English as the common language and French as the legal and administrative language. Therefore, the Internet site of the company and the annual report will only be available in these two languages from now in order to cut down on the translation errors that have often arisen in the past.

5. Dispensations.

The company departs from the Belgian Corporate Governance Code on the following principles:

5.1. The group of directors elected on a proposal of the family shareholders is in a position to dominate the decisions.

In companies where the family component holds a majority stake in the capital, the family shareholders do not, like the other shareholders, have the option of selling their shares if they do not adhere to the orientations defined by the Board. Their partial or majority representation on the Board offers them the possibility to influence these orientations and thus ensure the shareholder stability that has proven to be beneficial for the profitable and sustainable development of the company. Furthermore, the potential risks for corporate governance resulting from the existence of a strong control of the reference shareholders over the organisation of the Board can be mitigated, on the one hand, by a judicious use of this power by the directors concerned with respect for the legitimate interests of the company and

of its minority shareholders and, on the other hand, by the lasting presence of several non-executive directors that do not represent the family shareholders, which offers a guarantee of a real dialogue within the Board.

5.2 The company globally communicates the remunerations granted to the members of the Board of Directors.

The Board believes that the shareholders are adequately informed if the global cost of the collegial governance organ constituted by the Board of Directors is communicated to them, without being required to reveal the individual situation of each director.

5.3. The term of office of the directors can be renewed several times.

The Code specifies that the renewal of the terms of office of the non-executive directors beyond a period of twelve years must be the subject of a rigorous examination for the purpose of the gradual renewal of the Board and, if needs be, to ensure the independence of the director in question. However, supposing that this independence could wane over time puts into question their initial independence. Furthermore, in view of the growing complexity of the businesses in the diversified international groups, we believe that an in-depth knowledge of the businesses of the company and of the competitive dynamic of the sectors in which it is present is indispensable for the directors and should not be subject to the requirement to ensure their replacement. Incidentally, the regular evaluation of the individual contribution of each director to the running of the collective body appears to us to be a more appropriate measure of the quality of individual contributions and of their adequacy with regard to the overall workings of the company.

CHARTER OF THE AUDIT COMMITTEE

I. Introduction

The Audit Committee is a consultative committee of the Board of Directors, which adopts its Charter. The Audit Committee reviews it every year and, if necessary, asks the Board of Directors to approve any modifications that it deems necessary.

II. Rôle

The Audit Committee is responsible for helping the Board of Directors to exercise its obligations of control, in their broadest sense, over the activities of the Company, in particular in terms of the financial information disseminated to the shareholders and to the third parties and the monitoring of the risk management and internal control mechanisms set up within the company. For this purpose, it nurtures a close dialogue with the internal and external auditors of the company and ensures the coordination of their work.

When exercising its obligations relating to the monitoring of the group's entities that have their own audit committee, the Committee shall base itself on the work and reports of these committees, of which it is kept duly informed.

III. Composition

The Audit Committee comprises at least three non-executive directors including at least two independent directors, designated by the Board of Directors on the proposal of the Chairman of the Board of Directors and after consultation with the Appointments and Remuneration Committee, from among the directors that have sufficient knowledge, in particular financial knowledge, to make an effective contribution to the execution of the missions of the Committee.

It is chaired by a non-executive director appointed by the Board of Directors, who cannot be the Chairman of the Board of Directors. The latter does nevertheless have a permanent invitation to all its meetings, as does the CEO. The CFO (Chief Financial Officer) of the company is a permanent invitee to the meetings of the Committee, unless any exception arises that he himself assesses, and acts as its secretary.

IV. Organisation of the Audit Committee

1. Planning, notice of meeting, agenda and participation in the meetings of the Audit Committee

The Audit Committee meets at least twice a year and more often if it deems necessary. The members are required to attend all the meetings of the Committee. It is convened by the Chairman of the Audit Committee, who draws up the agenda of the meetings in concert with the CFO.

The Audit Committee can invite to its meetings or to part of them, the external auditor, the internal auditor, the management controllers, the financial directors as well as any other member of the company's personnel whose presence it deems to be useful, if required, in the absence of any executive manager. It can also request the opinion and/or the presence of external experts at the cost of the company.

2. Preparation of the meetings

Support documents prepared by the CFO or by any other person designated by the Chairman of the Audit Committee and reviewed by him, are addressed to the members of the Committee at the same time as the notice of meeting in order to inform them appropriately of the points to be discussed. The members are required to examine the documents distributed before the meeting. Additional oral information can be supplied in the course of the meeting on any items that require greater confidentiality.

The Audit Committee can request all further information that it may require.

3. Minutes of the meeting

The secretariat of the audit committee is entrusted to the CFO, who draws up and submits the draft minutes to the members of the Committee for approval.

The minutes, including the summary of the recommendations made by the Committee, are communicated to the Board of Directors, are held available for the latter and the external auditor by the person entrusted with the secretariat of the Committee.

V. Responsibilities

For the exercise of its mandate, the Audit Committee takes on the following responsibilities :

1. Financial reporting

- a) It examines, before their publication, the integrity – which is understood as being the accuracy, the comprehensive character and the coherence - of the financial statements, of the press releases and generally speaking of any document destined to be communicated to third parties relating to the financial performance of the company, with particular attention to :
 - any changes to the rules of evaluation and the relating accounting principles/procedures ;
 - the accounting choices made by management in event of several possible methods and the specific structures implemented by it for the exercise of certain activities;
 - the modifications requested by the external auditor ;
 - the respect of the accounting standards and of the legal and regulatory provisions in force, in particular the listed companies.
- b) The responsibility referred to in point a) is carried out by consulting the opinion of the CFP and eventually that of the external auditor, according to the audit programme adopted by the Committee as regards to periodical information.

2. Internal control and risk management

- a) It is responsible for setting up appropriate management and risk control systems, including those related to the respect of legislation and the rules of procedure to which the company adheres, and regularly ensures that these systems adequately identify and manage the significant risks and inform the Committee of them in good time.
- b) It studies the information to be published in the annual report relating to the internal control and risk management mechanisms

- c) It approves and follows-up the results of all surveys undertaken within the company in response to frauds, errors or for any other reason, as well as any decisions taken by management on these occasions and if necessary puts forward its own recommendations.
- d) It ensures the correct application of the policy adopted by the Board of Directors in the field of transactions on the company's securities by members of the Board of Directors and senior management.

3. Internal audit

- a) It examines the proposals of management with regard to the appointment and replacement of the internal audit manager, as well as the annual budget allocated to its operation.
- b) It approves the annual work programme of the internal audit and reads its reports, and, if necessary, puts forward recommendations.
- c) It periodically examines the efficiency of the internal audit with regard to the objectives assigned to its mission, in particular by analysing its working methods, the scope and pertinence of its actions and the adoption of its recommendations by management.

4. Audit externe

- a) It puts forward recommendations to the Board of Directors on the appointment of the external auditor of the company and the renewal of its mandate or its possible revocation, and continuously ensures respect for the criteria of his independence, as laid down in the regulations in force.
- b) It approves the annual work programme of the external audit, including the thematic audit missions, reads the reports and monitors the actions undertaken by management following reserves expressed by it.
- c) It periodically examines the effectiveness of the external audit with regard to the objectives assigned to its mission, in particular by analysing its working methods, the scope and the pertinence of its actions and the adoption of its recommendations by management.
- d) It approves in advance the nature, the scope and the cost of the work that is not covered by the mission of the internal auditor.

5. Activity report

The Audit Committee communicates its conclusions, recommendations and/or proposals to the Board of Directors after each meeting.

CHARTER OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

1. Composition, chairmanship and organisation of the Committee

- 1.1. The Board of Directors sets up an Appointments and Remuneration Committee comprised exclusively of non-executive directors, at least a majority of whom are independent.
- 1.2. The Chairman of the Board of Directors, or another non executive director, chairs the Committee.
- 1.3. The Committee meets at least once a year and each time it deems it necessary for the execution of its obligations.

2. Role of the Committee in terms of appointments

- 2.1. The Committee puts forward recommendations to the Board of Directors in relation to the appointment of the directors. The role of the Committee is to ensure that the appointment and re-election process is organised objectively and professionally.
- 2.2. More particularly, the Committee :
 - periodically evaluates the size and composition of the Board of Directors and puts forward recommendations for any modifications ;
 - identifies and proposes for the approval of the Board of Directors the candidates for vacancies to be filled ;
 - gives its opinion on the proposals for appointments made by shareholders ;
 - examines the questions relating to successions.
- 2.3. The Committee examines the proposals made by the parties concerned, including management and shareholders. In particular, the CEO is authorised to submit proposals to the Committee, and to be duly consulted by it, on questions relating to the executive directors or senior management.
- 2.4. The Chairman of the Board of Directors can be included in the discussion but does not chair the Committee when he is called to deal with the designation of his successor or a subject directly relating to him.

3. Role of the Committee in terms of remunerations

- 3.1. The CEO participates in the meetings of the Committee when it deals with the remuneration of the other members of senior management.
- 3.2. The Committee issues recommendations to the Board of Directors on the remuneration policy of the directors and the subsequent proposals to be submitted to the shareholders, as well as on the remuneration policy of executive management, including the bonuses and long term profit-sharing schemes, linked or otherwise to the shares, granted in the form of share options or other financial instruments.
- 3.3. The remuneration policy of senior management relates at least to :
 - the main contractual conditions, including the main characteristics of the pension schemes and the arrangements made in the event of early retirement ;
 - the key elements that serve to determine the remuneration, including the relative importance of each component of the remuneration, the performance criteria for the variable components of the remuneration and the benefits in kind.

RULES OF PROCEDURE APPLICABLE TO THE REALISATION BY SAPEC DIRECTORS OR MANAGERS OF TRANSACTIONS ON THE COMPANY'S SECURITIES

The company has laid down rules of procedure in the field of transactions on securities, whose non respect could, depending on circumstances, be considered, as far as directors or managers are concerned, as professional misconduct and/or lead to the adoption of disciplinary measures, including revocation or dismissal and/or the bringing of criminal proceedings.

Scope of application

Insider knowledge is defined as all information that has not been made public, of a precise character and which, whether directly or indirectly, concerns Sapec and its subsidiaries or the securities issued by these companies, and which, if they were made public, would be likely to tangibly influence the price of these securities or that of derived financial instruments related to them.

The **persons** targeted by the law are all people who hold information when they are aware or should be aware that it constitutes insider knowledge. These rules of procedure apply at least to the members of the Board of Directors and senior management of the company as well as related persons, namely, the spouse and partner and any companies that the aforementioned persons control whether directly or indirectly.

« **Transaction** » is understood to mean the purchases and transfer of shares or related derived instruments, whether in return for payment or otherwise, (except to related persons) personally or on behalf of others, as well as the conclusion of purchase or sale agreements and the exercise of options on these securities.

The **securities** in question are those issued by Sapec, as well as the derived financial instruments related to them.

Restrictions and obligations

The realisation of any transaction on securities within the meaning above is prohibited in each of the situations listed below :

- during a period of **two months** preceding the annual or half yearly communication of the results of the companies concerned;
- **at all times** for holders of insider knowledge;
- on the basis of exclusively **short-term considerations**.

At no time may the aforementioned persons express an opinion or issue recommendations on the subject of the timeliness of making transactions on securities or on their timing. They shall ensure respect for these rules of conduct by related persons.

Any question relating to the application of these rules can be put to the Secretary of the Board who shall answer them immediately and with respect for the strictest confidentiality.

RULES OF PROCEDURE APPLICABLE TO THE REALISATION BY SAPEC DIRECTORS OR MANAGERS OF TRANSACTIONS WITH THE COMPANY

The directors and the managers are not authorised to provide services in return for remuneration, and to buy or sell property, directly or indirectly, from or to the company or the companies of its group within the framework of transactions that do not come under their terms of office or functions without the explicit consent of the Board of Directors, with the exception of transactions carried out within the usual framework of the company's activities.

They are obliged to consult the Chairman or the CEO, who shall decide whether it is necessary to submit an application for dispensation from the Board of Directors. The execution of these transactions is in any case only authorised when they are carried out under the usual market conditions.