

Audit Committee Charter

Table of Contents

1	Composition	3
2	Powers	3
2.1	Role of the Audit Committee	3
2.2	Duties of the Audit Committee	4
3	Operation	6
3.1	Meetings	6
3.2	Reporting to the Board of Directors	8
4	Miscellaneous	8

Introduction

The meaning of a number of terms, whether or not capitalised, used but not defined in these terms of reference is given in the list of terms included in article 1 of the code for Corporate Governance issued on 9 December 2004 by the Belgian Corporate Governance Committee.

1 Composition

- 1.1 The members of the Audit Committee are appointed and may at any time be dismissed by the Board of Directors of Directors.
- 1.2 The Audit Committee must be composed of at least three directors. All members of the Audit Committee must be independent directors, unless there are not enough candidates among the independent directors.
- 1.3 The Audit Committee must be chaired by one of the members of the Audit Committee. The Chairman of the Board of Directors may not be the chairman of the Audit Committee and must be an independent director.
- 1.4 The members of the Audit Committee must have sufficient relevant expertise, particularly in financial matters, to fulfil their duties in an efficient manner.
- 1.5 The duration of the mandate of a member of the Audit Committee may not exceed the duration of his or her mandate as a director.
- 1.6 The Secretary of the Company acts as secretary of the Audit Committee. The Secretary of the Company can delegate some or all of his or her duties resulting from these terms of reference to a substitute appointed by him or her in consultation with the chairman of the Audit Committee.

2 Powers

2.1 Role of the Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its monitoring responsibilities in respect of control in the broadest sense.

2.2 Duties of the Audit Committee

The Audit Committee is entrusted with the development of a long-term audit programme encompassing all activities of the Company, and is in particular entrusted with the oversight of:

(i) Financial reporting:

The Audit Committee monitors the integrity of the financial information provided by the Company. The Audit Committee assesses, through its communication with the Management and the External Auditor of the Company, the correctness, completeness and consistency of the financial information both on a statutory and consolidated level.

This task also includes the reviewing of periodic information before this information is made public and the reviewing of the relevance and consistency of the accounting standards used.

The Audit Committee discusses significant financial reporting issues both with the Executive Management and with the External auditor

(ii) Internal controls and risk management :

At least once a year, the Audit Committee must review the internal control and risk management processes, procedures and systems set up by the Executive Management. It must ensure that the main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed and disclosed.

Internal control also includes review and approval of the statements included in the annual report on internal control and risk management as well as review of the specific arrangements made by which staff members of the Company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters (whistle-blowers' order). The Audit Committee must ensure that this arrangement is brought to the notice of all staff members of the Company and its subsidiaries. If deemed necessary, the Audit Committee must make arrangements for independent investigation and appropriate follow-up of these matters in proportion to their alleged seriousness.

(iii) Internal audit:

The Audit Committee must annually review the need for or the preservation of the internal audit function.

If an independent audit function has been set up, the Audit Committee must

- ⇒ ensure that the available resources and skills are adapted to the Company's nature, size and complexity.
- ⇒ must approve the appointment and removal of the head of internal audit, as well as the work programme and the budget allocated to internal audit. It must reviews the effectiveness of the internal audit function, having regard to the complementary role of the internal and external audit functions.
- ⇒ must be provided with internal audit reports or a periodic summary of such reports.
- ⇒ must discuss the performance of internal audit, the risk coverage and the quality of internal controls and risk management with the head of internal audit at least twice a year.
- ⇒ through the chairman of the Audit Committee be available at all times to the head of the internal audit function to discuss issues relating to the Company's internal audit.

(iv) External audit:

The Audit Committee makes recommendations to the Board of Directors on the selection, appointment and reappointment of the External auditor and on the terms of his or her engagement. These recommendations must be submitted to the general meeting.

The Audit Committee must monitor the External auditor's independence, in particular in view of the provisions of the Companies Code and the Royal Decree of 4 April 2003. For that purpose, the External auditor provides the Audit Committee with a report describing all relationships between the independent External auditor and the Company and its group.

The Committee must review the effectiveness of the external audit, taking into account the relevant legal and professional standards.

The Audit Committee must monitor the External auditor's work programme and review the effectiveness of the external audit process and the responsiveness of the management to the recommendations made by the External auditor in his or her management letter.

The Audit Committee must ensure that the audit and the audit report cover the group as a whole.

The Audit Committee must determine the manner in which the External auditor is involved in the content and the publication of financial information on the Company other than the financial statements.

The Committee must assist the Board of Directors in the development of a specific policy for the engagement of the External auditor for non-audit services, taking into account the specific provisions of the Companies Code and the application of this policy.

The Audit Committee must investigate the issues giving rise to the resignation of the External auditor and may make recommendations as to any required action.

The Audit Committee is the principal contact point for the head of the internal audit function and the External auditor.

3 Operation

3.1 Meetings

- (b) The Audit Committee meets whenever a meeting is required for a proper operation of the Audit Committee, but at least three times a year. Whenever possible, the date of the meeting is fixed in advance each year and the meetings take place as close as possible to the date of the meetings of the Board of Directors.
- (c) In principle, meetings of the Audit Committee are convened by the secretary of the Audit Committee in consultation with the chairman of the Audit Committee. Each member of the Audit Committee can convene an Audit Committee meeting.

Except where urgent issues have arisen (as determined by the chairman of the Audit Committee), the agenda of the meeting must be sent to all Audit Committee members at least 3 calendar days prior to the meeting. Every agenda item must be accompanied by as much written information as possible and relevant documents must be appended.

If all members are present, the Committee can deliberate validly and compliance with the formalities for convening the meeting need not be verified.

- (d) The quorum is two members attending the meeting in person (or by telephone conference).

- (e) Decisions must be taken by a majority of the votes cast by the members of the Committee. [In case of an equality of votes, the chairman of the Committee has a casting vote.]
- (f) The Chairman of the Board of Directors has a permanent invitation to attend the meetings of any Committee of which the Chairman of the Board of Directors is not a member.

The Committee may invite other persons to attend its meetings.

- (g) At least twice a year, the Audit Committee must meet the External auditor and the head of the internal audit function/the internal auditor to discuss matters relating to its terms of reference, issues falling within the powers of the Committee and any issues arising from the audit process.

The External auditor may request the chairman of the Audit Committee to be authorised to attend a meeting of the Audit Committee.

- (h) The Audit Committee is automatically entitled to receive all information required for the performance of its duties from the Board of Directors, the Management Committee and the Company staff. The Audit Committee can request any senior employee of the Company, the CEO, the head of the internal audit function, its external legal advisors or the External auditor to attend a meeting of the Audit Committee or to consult with members or advisors of the Audit Committee.

- (i) The Audit Committee may seek external professional advice, at the company's expense, about issues that fall within its powers, after informing the chairman of the Board of Directors.

- (j) Each member of the Audit Committee has access to the books, data and offices of the Company and may have conversations with executives and employees of the Company if this might be useful for the proper performance of its duties. A member of the Audit Committee exercises this right in consultation with the chairman of the Audit Committee.

- (k) Any member of the Audit Committee must inform the Audit Committee of :

- (i) any personal financial interest (except in his capacity as shareholder) in any matter on which the Audit Committee decides; or
- (ii) any possible conflict of interests which may arise as a consequence of any other mandates he or she holds.

This member cannot participate in the deliberations and the vote relating to decisions of the Audit Committee involving such an interest or conflict of interests

and, if required by the Board of Directors, this member must resign as a member of the Audit Committee.

3.2 Reporting to the Board of Directors

- (l) The secretary of the Audit Committee or any other person designated by the chairman of the meeting must draw up a report of the findings and recommendations of the meeting of the Audit Committee. He or she must provide all members of the Board of Directors with the report as soon as possible after the meeting.
- (m) The Audit Committee must report regularly to the Board of Directors on the exercise of its duties and on any matters in respect of which the Audit Committee considers that action or improvement is needed, and may make recommendations as to the necessary steps to be taken.
- (n) The Audit Committee reports to the Board of Directors annually or, if necessary, more frequently on the developments in the relationship with the External auditor, and in particular on the viewpoint of the Audit Committee on the External auditor's independence (including the advisability of rotation of responsible partners in the office of the External auditor and the advisability of the External auditor entrusted with the controls also providing non-audit services to the Company).
- (o) If requested, the chairman of the Audit Committee must provide more detailed information on the results of the discussions of the Audit Committee during the meetings of the Board of Directors.
- (p) The chairman of the Audit Committee (or any other member of the Audit Committee) must be available during the annual general meeting to answer questions about the activities of the Audit Committee.
- (q) Each member of the Board of Directors must be given unlimited access to all data of the Audit Committee and may exercise this right following consultation with the chairman of the Audit Committee and the Secretary of the Company.

4 Miscellaneous

The Audit Committee must annually check and review the adequacy of these terms of reference and of its own effectiveness, report the results of this review to the Board of Directors and recommend any necessary changes.

The Board of Directors may modify these terms of reference at all times and revoke the powers granted to the Audit Committee.

These terms of reference and the composition of the Audit Committee must be posted on the web site of the Company