

## **Corporate Governance Charter**

The application at S.A.B.C.A. of corporate governance code takes into account the size and situation of the company as well as the structure of its shareholding.

### **1. Composition of the Board of Directors of S.A.B.C.A.**

- 1.1. There are currently six members on the board; a list of these members, the description of their main role outside S.A.B.C.A. and the name of the principal shareholder on whose recommendation they were elected, can be found in the management report.

The day-to-day management is handled by Mr *Remo Pellichero*, managing director. All members of the board, except for the managing director are non-executive directors.

- 1.2. The Board has not adopted any particular rules regarding a possible age limit for its members, nor regarding the execution of the function of director.

### **2. Functioning of the Board of Directors**

- 2.1. Frequency of meetings

The Board of Directors generally meets three times a year. Meetings are held each time it is in the interest of the company. This frequency provides, among other things, an opportunity to

examine the half-yearly (September) and annual (March) accounts, as well as the investments (December).

## 2.2. Competence

In the absence of statutory restrictions, the Board has all the powers assigned by law.

The Board determines the company's strategic and short-term objectives and approves and determines the means of implementation with a view to achieving these objectives.

At each meeting, the Board reviews, generally speaking, all the operational issues which are of interest to the company.

## 2.3. Control of day-to-day management

At each meeting, the managing director reports to the Board on the state of business, market research and market prospects, the workload, the financial situation and investment or disinvestment opportunities.

## 2.4. Invited participants

The members of the Committee of managers are traditionally invited to attend Board meetings.

## 2.5. Remuneration of the Board of Directors and the Auditor

The remuneration of the Board of Directors and the Auditor is mentioned in the management report.

### **3. Committees established by the Board of Directors**

The company has not created an Executive Committee in the sense of article 524 bis of the Companies Code.

#### **3.1. Standing committee**

A standing committee has been in existence since 1970. This committee comprises the managing director, two members of the board chosen respectively from those nominated on the recommendation of each of the principal shareholders, the financial manager and any adviser deemed necessary by the committee. The standing committee meets at least before every Board of Directors' meeting and more often if so required by circumstances. The standing committee assists the Board of Directors in its decision making.

#### **3.2. Audit committee**

The audit committee comprises representatives from the two main shareholders. They meet twice a year, in order to examine the company's accounts, prior to the publication of half-yearly and annual results.

#### **4. Day-to-day management**

The Board chooses the delegate for day-to-day management from among its members or from outside.

Day-to-day management is exercised by the Managing Director (Articles 11 and 20 of the articles of association).

In 2006, the Board of Directors, on the recommendation of its Chairman, decided to create the position of Managing Director in Charge of Operations. A Committee of Managers and a Management Committee in charge of Operations presided over by the Managing Director and the Managing Director in charge of Operations respectively meet once a month and contribute to the day-to-day management of the company.

The members of the Committee of Managers and the Management Committee in charge of operations are included in the management report.

#### **5. Appropriation of retained earnings policy**

In its proposals to the general meeting, the Board of Directors aims at reconciling usually high level of investments needed for the aerospace operations undertaken by the company on the one hand, and a reasonable return on capital, on the other hand.

## **6. Shareholders**

Dassault Belgique Aviation, a virtual 100% subsidiary of the Marcel Dassault Industrial Group, holds 52.96% of the company's capital. The Dutch company Stork N.V. holds 43.57% of the capital, in particular through its subsidiary Fokker Aerospace B.V.

There is no shareholder's agreement governing the exercising of the right to vote.