

Corporate Governance Statement

The Company adheres to the corporate governance principles set out in the Belgian Code of Corporate Governance 2009 published on the website www.corporategovernancecommittee.be. It has published its Corporate Governance Charter on its website (www.dieteren.com) since 1 January 2006. However, the implementation of these principles takes into consideration the particular structure of the Company's share capital, with family shareholders owning the majority and having ensured the continuity of the Company since 1805. Exceptions to the principles are set out page 85.

1. Composition and operation of the Board, executive management and control bodies

1.1. BOARD OF DIRECTORS

1.1.1. Composition

The Board of Directors consists of:

- six non-executive Directors, appointed on the proposal of the family shareholders;
- six non-executive Directors, three of whom being independent, chosen on the basis of their experience¹;
- the managing director (CEO).

The Chairman and Deputy Chairmen of the Board are selected among the Directors appointed on the proposal of the family shareholders.

Two female directors are in the Board. At least one of them is also a member of each Committee of the Board.

1.1.2. Roles and activities

Without prejudice to its legal and statutory attributions and those of the General Meeting, the roles of the Board of Directors are to:

- determine the Company's strategy and values;
- approve its plans and budgets;
- decide on major financial transactions, acquisitions and divestments;
- ensure that appropriate organization structures, processes and controls are in place to achieve the Company's objectives and properly manage its risks;
- appoint the Directors proposed by the Company for the Boards of Directors of its main subsidiaries;
- appoint and revoke the CEO and, based on a proposal by the latter, the managers reporting to him and determine their remuneration;
- monitor and review day-to-day management performance;
- supervise communications with the Company's shareholders and the other interested parties;
- approve the Company's statutory and consolidated financial statements, as well as set the dividend which will be proposed to the General Meeting. In that framework, the Board of Directors intends to maintain its ongoing policy of providing the largest possible self-financing, which has supported the group's development, with a view to strengthen its equity capital and to maintain quality financial ratios. Absent major unforeseen events, the Board will ensure a stable or, results permitting, a steadily growing dividend.

[1] A third independent Director, Pierre-Olivier Beckers sprl (represented by Mr Pierre-Olivier Beckers), was temporarily appointed by the Board of Directors on 16 January 2014 to complete the term of Mr Christian Varin, who resigned. The Ordinary General Meeting of 5 June 2014 ratified this temporary appointment and renewed this term.

Composition of the Board of Directors (as at 31 December 2014)		Joined the Board in	End of term
Roland D'leteren (72) ¹	Chairman of the Board Graduate of Solvay Business School, MBA (INSEAD). Chairman and managing director of D'leteren from 1975 to 2005. Chairman of the Board of Directors of D'leteren since 2005. Honorary Director of Belron.	1968	May 2018
Nicolas D'leteren (39) ¹	Deputy Chairman of the Board BSc Finance & Management (University of London); Asia Int'l Executive Program and Human Resources Management in Asia Program (INSEAD). Led projects at Bentley Germany and Porsche Austria. From 2003 to 2005, finance director of a division of Total UK. Since 2005, managing director of a Private Equity fund investing in young companies. Director of Belron.	2005	May 2015
Olivier Périer (43) ¹	Deputy Chairman of the Board Degree in architecture and urban planning (ULB); Executive Program for the Automotive Industry (Solvay Business School); International Executive Program and Business Strategy Asia Pacific (INSEAD). Founding partner of architectural firm Urban Platform. Managing director of SPDG, private holding company, since 2010. Member of the advisory board of Amethis Finance and of the supervisory board of various venture capital companies. Director of Belron.	2005	May 2015
Axel Miller (49)	Managing director Law degree (ULB). Partner at Stibbe Simont, then at Clifford Chance (1996–2001). After holding several executive positions within the Dexia Group, became Chairman of the executive committee of Dexia Bank Belgium (2002–2006) and managing director of Dexia SA (2006–2008). Partner at Petercam from 2009 to March 2012. Directorships: Carmeuse (Chairman), Spadel, Duvel Moortgat.	2010	May 2018
GEMA sprl ¹	Non-executive Director – Permanent representative: Michel Allé (64) Civil engineer and economist (ULB). Joined Cobepa in 1987, member of its Executive Committee (1995–2000). CFO of Brussels Airport (2001–2005). CFO of SNCB Holding (2005–2013). CFO of SNCB since 1 January 2014. Director of Zetes Industries and Chairman of the Board of Euroscreen. Professor at ULB.	2014	May 2018
s.a. de Participation et de Gestion (SPDG) ¹	Non-executive Director – Permanent representative: Denis Pettiaux (46)² Civil engineer in physics and Executive Master in Management (ULB). Member of SPDG executive committee, in charge of finance and a non-executive member of various Boards of Directors, advisory boards and investment committees. Joined Coopers&Lybrand in 1997. Until 2008, Director of PricewaterhouseCoopers Advisory in Belgium. Until 2011, Director of PricewaterhouseCoopers Corporate Finance in Paris.	2014	May 2018
Nayarit Participations s.c.a. ¹	Non-executive Director – Permanent representative: Frédéric de Vuyst (41) Bachelor of Laws (FUNDP), BA Business & BSc Finance (London Metropolitan Business School). Managing Director Corporate & Investment Banking BNP Paribas Belgium until 2008. Management Committee Corporate & Public Banking and Management Committee Investment Banking BNP Paribas Fortis until 2012. Since then, managing director of a private equity fund.	2001	May 2018
Pierre-Olivier Beckers sprl	Independent Director – Permanent representative: Pierre-Olivier Beckers (54)³ Master in Management Sciences (LSM), Louvain-la-Neuve; MBA Harvard Business School. Career at Delhaize Group (1983–2013); Chairman of the Executive Committee and managing director of Delhaize Group (1999–2013). Chairman of the Belgian Olympic and Interfederal Committee since 2004; Member of the International Olympic Committee (IOC) and Chairman of its Audit Committee. Deputy Chairman of the FEB. Director of Guberna. Various Directorships.	2014	May 2018
Jean-Pierre Bizet (66)	Non-executive Director Graduate of Solvay Business School, MBA (Harvard), PhD in Applied Economics (ULB). Consultant, partner, Director at McKinsey (1980–1994). CEO of GIB Group (1999–2002). Joined D'leteren in 2002, CEO (2005–2013). Various Directorships. Professor of strategy, ULB.	2005	May 2015
Christine Blondel (56)	Independent Director Ecole Polytechnique (France), MBA (INSEAD). Held executive positions at Procter & Gamble and led the Wendel Centre for Family Enterprise at INSEAD, where she is Adjunct professor of Family business. Founder of FamilyGovernance, advising family businesses. Director of INSEAD Foundation.	2009	June 2017
Pascal Minne (64)	Non-executive Director Law degree (ULB), Masters in Economics (Oxford). Partner and Chairman of PricewaterhouseCoopers Belgium (until 2001). Partner and Director of Petercam since 2001. Various Directorships. Professor of tax law at ULB.	2001	May 2018
Alain Philippson (75)	Non-executive Director Graduate of Solvay Business School. Joined Banque Degroof in 1972, currently Chairman. Chairman of the Board and Director of several family and other foundations.	1987	May 2015
Michèle Sioen (49)	Independent Director Degree in economics. CEO of Sioen Industries. Chairman of the FEB since May 2014. Director at ING Belgium and Guberna, amongst others. Member of the Corporate Governance Committee.	2011	May 2015

(1) Appointed on the proposal of family shareholders.

(2) Until the Ordinary General Meeting of 5 June 2014, the permanent representative of s.a. de Participation et de Gestion was Mr Michel Allé.

(3) Pierre-Olivier Beckers sprl (represented by Pierre-Olivier Beckers) was temporarily appointed by the Board of Directors on 16 January 2014 to complete the term of Mr Christian Varin, who resigned. The Ordinary General Meeting of 5 June 2014 ratified this appointment and renewed this term.

The Board of Directors meets at least six times a year. Additional meetings are held as necessary. The Board of Directors' decisions are taken by a majority of the votes, the Chairman having a casting vote in case of a tie. In 2014, the Board met 8 times. All of the Directors attended all of the meetings, except for:

- Mr Alain Philippson, excused for two meetings;
- Mrs Michèle Sioen, the s.a. SPDG represented by Mr Michel Allé and Mr Jean-Pierre Bizet, each excused for one meeting.

1.1.3. Tenures of Directors

Having reached the age limit of 75, Mr Maurice Périer made his Directorship available for the Company at the Ordinary General Meeting of 5 June 2014. The Board of Directors decided to appoint Messrs Nicolas D'Ieteren and Olivier Périer as Deputy Chairmen of the Board as from this date. The General Meeting also ratified the appointment of GEMA sprl, represented by Mr Michel Allé, as non-executive Director for 4 years.

Pierre-Olivier Beckers sprl, represented by Mr Pierre-Olivier Beckers, was temporarily appointed by the Board of Directors on 16 January 2014 to complete the term of Mr Christian Varin, who resigned. The Ordinary General Meeting of 5 June 2014 ratified this appointment and renewed this Directorship as independent Director for 4 years.

During the same Ordinary General Meeting, the Directorships of Messrs Roland D'Ieteren, Axel Miller and Pascal Minne, as well as of Nayarit Participations s.c.a., represented by Mr Frédéric de Vuyst, and s.a. SPDG, represented by Mr Denis Pettiaux, were renewed for 4 years.

1.1.4. Committees of the Board of Directors

Composition (as at 31/12/2014)	Audit Committee ¹	Nomination Committee	Remuneration Committee ¹
Chairman	Pascal Minne	Roland D'Ieteren	Roland D'Ieteren
Members	Christine Blondel ²	Christine Blondel ²	Christine Blondel ²
	Frédéric de Vuyst ³	Nicolas D'Ieteren	Michèle Sioen ²
	Denis Pettiaux ⁴	Pascal Minne	
		Maurice Périer ⁵	
		Olivier Périer	
		Alain Philippson	

(1) Given their respective education and management experience in industrial and financial companies, the members of the Audit Committee, on the one hand, and of the Remuneration Committee, on the other, have the expertise in accounting and audit required by law for the former, and in remuneration policy for the latter.

(2) Independent Director.

(3) Since 16 January 2014. Permanent representative of Nayarit Participations s.c.a.

(4) Since 5 June 2014. Permanent representative of s.a. SPDG.

(5) Until 5 June 2014.

The **Audit Committee**, met 4 times in 2014, twice in the presence of the Auditor. All of its members attended all of the meetings.

The **Nomination Committee**, met 3 times in 2014. All of its members attended all of the meetings.

The **Remuneration Committee**, met 4 times in 2014. All of its members attended all of the meetings, with the exception of Mrs Michèle Sioen, excused for two meetings, and Mr Roland D'Ieteren, excused for one meeting.

Each Committee has reported on its activities to the Board.

Operation of the Committees

Audit Committee

At 31 December 2014, the Audit Committee comprises four non-executive Directors, with at least one independent Director. The Audit Committee's terms of reference primarily include the monitoring of the Company's financial statements and the supervision of the risk management and internal controls systems. The Committee will review auditor's reports on half-year and year-end financial statements of the subsidiaries which are consolidated into the Company's accounts. The Audit Committee meets at least four times a year, including at least once every six months in the presence of the Auditor, and reports on its activities to the Board of Directors. At least one specific meeting is dedicated to the supervision of the risk management and internal controls systems. The Auditor KPMG, appointed by the Ordinary General Meeting of 5 June 2014, has outlined the methodology for auditing the statutory and consolidated statements as well as the applicable materiality and reporting thresholds. The Committee's charter adopted by the Board is set out in Appendix I of the Charter published on the Company's website.

Nomination Committee

At 31 December 2014, the Nomination Committee comprises six non-executive Directors, including the Chairman of the Board, who chairs it, with at least one independent Director. The Committee makes proposals to the Board concerning appointments of non-executive Directors, the CEO, and based on a proposal by the latter, the managers reporting to him, and ensures that the Company has official, rigorous and transparent procedures to support these decisions. The Committee meets at least twice a year and reports on its work to the Board of Directors. The Committee's Charter, adopted by the Board, is reproduced in Appendix II a of the Company Governance Charter available on the Company's website.

Remuneration Committee

At 31 December 2014, the Remuneration Committee comprises three non-executive Directors, including the Chairman of the Board, who chairs it, and two independent Directors. The Committee makes proposals to the Board regarding the remuneration of the non-executive Directors, the CEO, and based on a proposal by the latter, the managers reporting to him, and ensures that the Company has official, rigorous and transparent procedures to support these decisions. The Committee also prepares the remuneration report and comments it during the General Meeting. The Committee meets at least twice a year and reports on its work to the Board of Directors. The Committee's Charter adopted by the Board is reproduced in Appendix II b of the Corporate Governance Charter available on the Company's website.

Consultation Committee

The Chairman and the Deputy Chairmen of the Board meet once a month with the managing director, as a Consultation Committee, an advisory body, in order to monitor the Company's performance, review progress on major projects and prepare meetings of the Board of Directors.

Policy for transactions and other contractual relationships not covered by the legal provisions on conflicts of interest

Directors and managers are not authorised to provide paid services or to purchase or sell goods directly or indirectly to or from the Company or to its group's companies within the framework of transactions not covered by their mandates or duties, without the specific consent of the Board of Directors, except for transactions realised in the normal course of business. They are to consult the Chairman or managing director, who shall decide whether an application for derogation can be submitted to the Board of Directors; if so, they will notify the details of the transaction to the Company secretary, who will ensure that the related legal matters are applied. Such transactions shall only be authorised if carried out at market conditions.

Evaluation of the Board and its Committees

The Board and its Committees assess on a regular basis, and at least once every three years, their size, composition, procedures, performance and their relationships with the managers as bodies of the Company, as well as the individual contribution of each Director to overall functioning, in order to constantly improve the effectiveness of their actions and the contribution of said actions to the group's proper governance.

The Board received the conclusions of the last triennial self-assessment of the Board and its Committees in December 2012. This self-assessment was carried out using a detailed questionnaire sent to each Director and covering various aforementioned assessment criteria, the responses of which were discussed during individual interviews by two Directors who are members of the Nomination Committee. These Directors presented a summary of the answers to the questionnaire and of the individual interviews to the Board of Directors, and they made concrete recommendations.

1.2. GROUP EXECUTIVE MANAGEMENT

The Group's executive management is comprised of the CEO, the CFO, the CLO – also responsible for the Board's secretariat – and the Treasurer. The managing director-CEO is responsible for day-to-day management. He is assisted by the group's executive management, which is responsible at the Group level for finance, financial communications, investor relations, account consolidation, treasury, business development, legal and tax functions.

1.3. EXECUTIVE MANAGEMENT OF THE TWO ACTIVITIES

The Automobile Distribution sector – D'Ieteren Auto, an operational department of s.a. D'Ieteren n.v. without separate legal status – is managed by the CEO of D'Ieteren Auto, reporting to the Group's managing director. The CEO of D'Ieteren Auto chairs a management committee comprising six other members responsible for Retail, Administration and Finance, Group Service, Marketing, Training & Direct Sales, Automobile Financial Services (Volkswagen D'Ieteren Finance) as well as Human Resources.

The Vehicle Glass sector is comprised of Belron, of which D'Ieteren owned 94.85% at 31 December 2014, and its subsidiaries. On 31 December 2014, Belron is governed by a Board of Directors consisting of 9 members: D'Ieteren's managing director (who chairs it), the group CFO, Belron's CEO and CFO, D'Ieteren's two Deputy Chairmen of the Board and 3 non-executive Directors.

1.4. EXTERNAL AUDIT

The external audit is conducted by KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Alexis Palm, whose auditing term expires at the General Meeting of June 2017.

The total fees charged by the Statutory Auditor and linked companies for the work carried out in 2014 on behalf of s.a. D'Ieteren n.v. and linked companies amounted to EUR 4.7 million, excluding VAT. Details of the fees are included in note 43 of the 2014 Consolidated Financial Statements (page 75).

DEROGATIONS TO THE 2009 BELGIAN CORPORATE GOVERNANCE CODE

The Company derogates from the Code on the following principles:

→ Derogation to principle 2.2.

The group of Directors appointed on the proposal of the family shareholders is in a position to dominate decisions. In companies where family shareholders hold a majority of the share capital, the family shareholders do not have, as do other shareholders, the opportunity to sell their shares if they do not agree with the orientations defined by the Board. Their joint or majority representation on the Board enables them to influence these orientations, thereby ensuring the shareholding stability necessary to the profitable and sustainable growth of the Company. The potential risks for corporate governance resulting from the existence of a high degree of control by the majority shareholder on the working of the Board can be mitigated, on the one hand, by appropriate use of this power by the Directors concerned in respect of the legitimate interests of the Company and of its minority shareholders and, on the other hand, by the long-term presence of several non-executive Directors not representative of the family shareholding, which ensures genuine dialogue on the Board.

→ Derogation to principles 5.2./4 and 5.3./1

The composition of the Audit Committee and of the Nomination Committee, each of which includes at least one independent Director, derogates from the Belgian Corporate Governance Code, which recommends the presence of a majority of independent Directors. This is because the Board believes that an in-depth knowledge of the Company is at least as important as independent status.