

Corporate governance statement

Board of Directors and Executive Management

In accordance with the original Belgian Code on Corporate Governance published in 2004, the Board of Directors has, on 16 December 2005, adopted the Bekaert Corporate Governance Charter. Following the publication of the 2009 Belgian Code on Corporate Governance, the Board of Directors has, on 22 December 2009, adopted the 2009 Code as the reference code for Bekaert and revised the Bekaert Corporate Governance Charter. On 13 November 2014 the Board of Directors has further revised the Bekaert Corporate Governance Charter (the 'Bekaert Charter'). Bekaert complies in principle with the Belgian Corporate Governance Code and explains in the Bekaert Charter and in this Corporate Governance Statement why it departs from some of its provisions.

The Belgian Corporate Governance Code is available at www.corporategovernancecommittee.be.

The Bekaert Corporate Governance Charter is available at www.bekaert.com.

Board of directors

The Board of Directors consists of fourteen members, who are appointed by the General Meeting of Shareholders. Eight of the Directors are appointed from among candidates nominated by the principal shareholders. The Chairman and the Chief Executive Officer are never the same individual. The Chief Executive Officer is the only Board member with an executive function. All other members are non-executive Directors.

Four of the Directors are independent in accordance with the criteria of Article 526ter of the Belgian Companies Code and provision 2.3 of the Belgian Corporate Governance Code: Mr Alan Begg (first appointed in 2008), Lady Barbara Judge (first appointed in 2007), Mr Manfred Wennemer (first appointed in 2009, independent since 1 January 2010) and Ms Mei Ye (first appointed in 2014).

The Board met on seven occasions in 2014: there were six regular meetings and one extraordinary meeting. In addition to its statutory powers and powers under the Articles of Association and the Bekaert Charter, the Board of Directors discussed the following matters, among others, in 2014:

- the business plan for 2014;
- continuous monitoring of the debt and liquidity situation of the Group;
- a review of Bekaert's strategy;
- the repurchase of Company shares;
- the business plan for the period 2015-2017;
- the succession planning at the Board and Executive Management levels;
- the issue of convertible bonds;
- the acquisition of Pirelli's steel cord business;
- the way of working of the Board of Directors;
- the fifth and last regular offer of stock options in accordance with SOP2010-2014.

Name	First appointed	Expiry of current Board term	Principal occupation (*)	Number of regular/extraordinary meetings attended
Chairman				
Bert De Graeve ⁽¹⁾⁽³⁾	2006	2015	NV Bekaert SA	3/1
Paul Buysse ⁽²⁾	2000	2014	NV Bekaert SA	3
Chief Executive Officer				
Matthew Taylor ⁽¹⁾	2014	2018	NV Bekaert SA	3/0
Bert De Graeve ⁽²⁾⁽³⁾	2006	2015	NV Bekaert SA	3
Members nominated by the principal shareholders				
Leon Bekaert	1994	2015	Director of companies	6/1
Roger Dalle	1998	2015	Director of companies	6/0
Charles de Liedekerke	1997	2015	Director of companies	6/0
François de Visscher	1992	2016	President, de Visscher & Co. LLC (United States)	5/0
Hubert Jacobs van Merlen	2003	2015	Director of companies	6/0
Maxime Jadot	1994	2015	CEO and Chairman of the Executive Board, BNP Paribas Fortis (Belgium)	6/0
Bernard van de Walle de Ghelcke	2004	2016	Of Counsel, Linklaters LLP (Belgium)	6/0
Baudouin Velge	1998	2016	Managing Partner, Interel (Belgium)	6/0
Independent Directors				
Alan Begg	2008	2018	Director of companies	6/0
Lady Barbara Judge CBE	2007	2016	Chairman of the UK Pension Protection Fund (United Kingdom) Chairman Emeritus of the UK Atomic Energy Authority (United Kingdom)	6/0
Manfred Wennemer	2009	2015	Director of companies	6/0
Mei Ye ⁽¹⁾	2014	2018	Independent director of and advisor to companies	3/0
Other Directors				
Anthony Galsworthy ⁽²⁾	2004	2014	Advisor to Standard Chartered Bank (United Kingdom)	3

(1) As of the Annual General Meeting in May 2014

(2) Until the Annual General Meeting in May 2014

(3) Bert De Graeve was first appointed as Board Member in 2006. In 2014 he became Chairman of the Board.

(*) the detailed résumés of the Board members are available at www.bekaert.com

Committees of the Board of Directors

The Board of Directors has established three advisory Committees.

Audit and Finance Committee

The Audit and Finance Committee is composed as required by Article 526bis §2 of the Companies Code: all of its four members are non-executive Directors and one member, Lady Barbara Judge, is independent. The Committee is chaired by its independent Director, Lady Barbara Judge. Her competence in accounting and auditing is demonstrated by her position as vice chairman of the Financial Reporting Council, the British accounting and corporate governance regulator, which she held until the end of 2007.

Contrary to provision 5.2/4 of the Belgian Corporate Governance Code, according to which at least a majority of the members should be independent, Bekaert takes the view that the Audit and Finance Committee should reflect the balanced composition of the full Board.

The Chief Executive Officer and the Chief Financial Officer are not members of the Committee, but are invited to attend its meetings. This arrangement guarantees the essential interaction between the Board of Directors and Executive Management.

Name	Expiry of Board term	Number of regular and extraordinary meetings attended
Lady Barbara Judge CBE	2016	4/1
Bert De Graeve ⁽¹⁾	2015	2
Hubert Jacobs van Merlen ⁽¹⁾	2015	2
Baudouin Velge	2016	4/1
Paul Buysse ⁽²⁾	2014	2/1
François de Visscher ⁽²⁾	2016	1/1

(1) As from the Annual General Meeting in May 2014

(2) Until the Annual General Meeting in May 2014

The Committee had four regular meetings and one extraordinary meeting in 2014. In addition to its statutory powers and its powers under the Bekaert Charter, the Committee discussed the following main subjects:

- the financing structure of the Group;
- the debt and liquidity situation;
- the activity reports of the internal audit department;
- the reports of the Statutory Auditor.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed as required by Article 526quater §2 of the Companies Code: all of its three members are non-executive Directors. It is chaired by the Chairman of the Board and its two other members, Mr Begg and Lady Barbara Judge, are independent. The Committee's competence in the field of remuneration policy is demonstrated by the relevant experience of its members.

Name	Expiry of Board term	Meetings attended
Bert De Graeve ⁽¹⁾	2015	3
Alan Begg	2018	4
Lady Barbara Judge CBE	2016	4
Paul Buysse ⁽²⁾	2014	1

(1) As from the Annual General Meeting in May 2014

(2) Until the Annual General Meeting in May 2014

Two of the Directors nominated by the principal shareholders are invited to attend the Committee meetings without being members.

The Committee met four times in 2014. In addition to its statutory powers and its powers under the Bekaert Charter, the Committee discussed the following main subjects:

- the composition of the Bekaert Group Executive (BGE);
- the variable remuneration for the Chief Executive Officer and the other members of the Executive Management for 2013;
- the base remuneration for the Chief Executive Officer and the other members of the Executive Management for 2014;
- terms of office of the Directors;
- the appointment and reappointment of Directors and the appointment of the Honorary Chairman;
- the composition of the Board Committees;
- positioning of the remuneration for the members of the Executive Management;
- talent management;
- the long-term incentive plan for managers.

Strategic committee

The Strategic Committee has six members, five of whom are non-executive Directors. It is chaired by the Chairman of the Board and further consists of the Chief Executive Officer and four Directors.

Name	Expiry of Board term	Meetings attended
Bert De Graeve	2015	3
Leon Bekaert	2015	3
Charles de Liedekerke	2015	3
Maxime Jadot	2015	2
Matthew Taylor ⁽¹⁾	2018	2
Manfred Wennemer ⁽¹⁾	2015	2
Paul Buysse ⁽²⁾	2014	1
Anthony Galsworthy ⁽²⁾	2014	1

(1) As from the Annual General Meeting in May 2014

(2) Until the Annual General Meeting in May 2014

The Committee met three times in 2014 and discussed the Bekaert strategy as well as various strategic projects.

Evaluation

The main features of the process for evaluating the Board of Directors, its Committees and the individual Directors are described in this section and in paragraph II.3.4 of the Bekaert Charter. The Chairman is in charge of organizing periodic performance appraisals through an extensive questionnaire that addresses:

- the functioning of the Board or Committee;
- the effective preparation and discussion of important issues;
- the individual contribution of each Director;
- the present composition of the Board or Committee against its desired composition;
- the interaction of the Board with the Executive Management.

A consultant supported the Chairman in 2014 in conducting an exercise to assess the Board's way of working and its interaction with the Executive Management. The consultant distributed an online survey to all Directors and interviewed all Directors. The Board of Directors discussed the key findings and how to move forward.

Gender diversity

In the framework of the action plan to ensure compliance with the legal requirement that one third of the members of the Board of Directors are of the opposite gender as from 1 January 2017, Ms Mei Ye became an independent Director on 14 May 2014. The search for additional female candidates continues.

Executive Management

The Bekaert Group Executive (BGE) has the collective responsibility to deliver the long-term and short-term objectives of the Group. It is chaired by the Chief Executive Officer and has the following balanced composition:

- members representing the global Business Platforms, who are accountable for customers and strategy and for the delivery of the long-term margin and growth objectives of their platforms;
- members representing the Regional Operations, who are accountable for the execution and delivery of the annual objectives in their regions; and
- members representing the Global Functions, with responsibility for functional excellence and compliance in their functional areas.

Dominique Neerinck, Chief Technology Officer, is stepping down from the BGE effective 31 March 2015, after 9 years as a member of the BGE.

As from 1 April 2015 the BGE will have the following members:

Name	Position	Appointed
Matthew Taylor	Chief Executive Officer	2013
Lieven Larmuseau	Executive Vice President Rubber Reinforcement Platform	2014
Piet Van Riet	Executive Vice President Industrial Products and Specialty Products Platforms	2014
Frank Vromant	Executive Vice President Regional Operations Europe, North America and South Asia	2011
Curd Vandekerckhove	Executive Vice President Regional Operations North Asia and South East Asia	2012
Bruno Humblet	Chief Financial Officer and Executive Vice President Regional Operations Latin America	2006
Geert Van Haver	Chief Technology Officer and Executive Vice President	2014
Bart Wille	Chief Human Resources Officer and Executive Vice President	2013

Conduct policies

Statutory conflicts of interests in the Board of Directors

In accordance with Article 523 of the Companies Code, a member of the Board of Directors should give the other members prior notice of any agenda items in respect of which he has a direct or indirect conflict of interests of a financial nature with the Company, and should refrain from participating in the discussion of and voting on those items. A conflict of interests arose on two occasions in 2014, and the provisions of Article 523 were complied with on such occasions.

On 27 February 2014 the Board had to determine the remuneration of the Chief Executive Officer. Excerpt from the minutes:

RESOLUTION:

On the motion of the Nomination and Remuneration Committee the Board:

- *approves the proposed short-term variable remuneration payable to the Chief Executive Officer on account of his 2013 performance;*
- *acknowledges that no mid-term variable remuneration is payable in respect of the period 2011-2013;*
- *approves the short-term variable remuneration objectives for the Group, the Chief Executive Officer and the Chief Executive Officer Designate in respect of 2014.*

On 13 November 2014 the Board had to determine the 2015 grant of options to the Chief Executive Officer under the Stock Option Plan 2010-2014. Excerpt from the minutes:

RESOLUTION:

On the motion of the Nomination and Remuneration Committee the Board approves:

- *the offer of 36 000 options to the Chief Executive Officer, in addition to the simultaneous contractual second sign-on offer of 50 000 options.*

Other transactions with Directors and Executive Management

The Bekaert Charter contains conduct guidelines with respect to direct and indirect conflicts of interests of the members of the Board of Directors and the BGE that fall outside the scope of Article 523 of the Companies Code. Those members are deemed to be related parties to Bekaert and have to report, on an annual basis, their direct or indirect transactions with Bekaert or its subsidiaries. Bekaert is not aware of any potential conflict of interests concerning such transactions occurring in 2014 (cf. Note 7.5 to the consolidated financial statements).

Market abuse

In accordance with provision 3.7 of the Belgian Corporate Governance Code, the Board of Directors has, on 27 July 2006, promulgated the Bekaert Insider Dealing Code, which is included in its entirety in the Bekaert Charter as Appendix 4. On 13 November 2014 the Board of Directors has revised the Bekaert Insider Dealing Code to reflect a number of organizational changes, effective 1 January 2015. The Bekaert Insider Dealing Code restricts transactions in Bekaert securities by members of the Board of Directors, the BGE, senior management and certain other persons during closed and prohibited periods. The Code also contains rules concerning the mandatory internal notification of intended transactions, as well as the disclosure of executed transactions through a notification to the Belgian Financial Services and Markets Authority (FSMA). The Chairman of the Board is the Compliance Officer for purposes of the Bekaert Insider Dealing Code.

Remuneration report

1. Description of the procedure used in 2014 for (i) developing a remuneration policy for the non-executive Directors and Executive Management and (ii) setting the remuneration of the individual Directors and executive managers

The remuneration policy for non-executive Directors is determined by the General Meeting of Shareholders on the motion of the Board of Directors, acting upon proposals from the Nomination and Remuneration Committee. The policy was approved by the Annual General Meeting of 10 May 2006 and amended by the Annual General Meetings of 11 May 2011 and of 14 May 2014.

The remuneration policy for the Chief Executive Officer is determined by the Board of Directors, acting upon proposals from the Nomination and Remuneration Committee. The Chief Executive Officer is absent from this process. The Committee ensures that the Chief Executive Officer's contract with the Company reflects the remuneration policy. A copy of the Chief Executive Officer's contract is available to any Director upon request to the Chairman.

The remuneration policy for the members of the BGE other than the Chief Executive Officer is determined by the Board of Directors acting upon proposals from the Nomination and Remuneration Committee. The Chief Executive Officer has an advisory role in this process. The Committee ensures that the contract of each BGE member with the Company reflects the remuneration policy. A copy of each such contract is available to any Director upon request to the Chairman.

2. Statement of the remuneration policy used in 2014 for the non-executive Directors and Executive Management

Non-executive Directors

The remuneration of the non-executive Directors is determined on the basis of six regular meetings of the full Board of Directors per year. A portion of the remuneration is paid on the basis of the number of regular meetings attended in person by the non-executive Director.

Non-executive Directors who are members of a Board Committee receive a fee for each Committee meeting attended in person. As an executive Director the Chief Executive Officer does not receive such attendance fee.

If the Board of Directors requests the assistance of a Director in a specific matter on account of his or her independence and/or competence, such Director will be entitled, in respect of each session warranting specific travel and time, to a remuneration equal to the applicable amount payable in respect of a Board Committee meeting attended in person.

The actual amount of the remuneration of the Directors is determined by the Annual General Meeting for the running financial year.

The remuneration of the Directors is regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international references, in order to ensure that persons with competences matching the Group's international ambitions can be attracted.

Non-executive Directors are not entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits, nor to any other type of variable remuneration except for the attendance fees in respect of Board or Committee meetings.

Expenses that are reasonably incurred in the performance of their duties are reimbursed to Directors, upon submission of suitable justification. In making such expenses, the Directors should take into account the Board Member Expense Policy.

The remuneration of the Chairman of the Board of Directors is determined at the beginning of his term of office, and is set for the duration of such term. On the motion of the Nomination and Remuneration Committee, it is determined by the Board subject to approval by the Annual General Meeting.

In making its proposal, the Committee should consider a clear description of the duties of the Chairman, the professional profile that has been attracted, the time expected to be effectively available for the Group, and an adequate remuneration corresponding to the formulated expectations and regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international references. The Chairman, when attending or chairing the meetings of a Board Committee, will not be entitled to any additional remuneration as this is deemed to be included in his global remuneration package.

Executive managers

The main elements of the Group's executive remuneration policy are a base remuneration, a short-term, mid-term and long-term variable remuneration, a pension contribution and various other components. The Group offers competitive total remuneration packages with the objective to attract and retain the best executive and management talent in every part of the world in which the Group is operating. The remuneration of the executive managers is regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international references.

A strong focus on performance and achievements at Group and individual level is reflected in the short-term variable remuneration program, which is directly linked to the annual business objectives.

The Group's mid-term and long-term variable remuneration programs aim at rewarding managers and executives for their contribution to the creation of enhanced shareholder value over time. Those programs are typically linked to the Company's longer term performance and to the future appreciation of the Company's shares.

The remuneration package of the Chief Executive Officer consists of a base remuneration, a short-term, mid-term and long-term variable remuneration, a pension contribution and various other components. The remuneration package aims to be competitive and is aligned with the responsibilities of a Chief Executive Officer leading a globally operating industrial group with various business platforms.

The Nomination and Remuneration Committee recommends each year a set of objectives directly derived from the business plan and from any other priorities to be assigned to the Chief Executive Officer. These objectives include both Group and individual financial and non-financial targets and are measured over a predetermined time period (up to three years). Those objectives, and the year-end evaluation of the achievements, are documented and submitted by the Committee to the full Board.

The final evaluation leads to an assessment, based on measured results, by the Board of Directors of all performance related elements of the remuneration package of the Chief Executive Officer.

The remuneration package of the BGE members other than the Chief Executive Officer consists of a base remuneration, a short-term, mid-term and long-term variable remuneration, a pension contribution and various other components. The remuneration package aims to be competitive and is aligned with the role and responsibilities of each BGE member, being a member of a team leading a globally operating industrial group with various business platforms.

The Chief Executive Officer evaluates the performance of each of the other members of the BGE and submits his assessment to the Nomination and Remuneration Committee. This evaluation is done annually based on documented objectives directly derived from the business plan and taking into account the specific responsibilities of each BGE member.

The achievements measured against those objectives will determine all performance-related elements of the remuneration package of each BGE member other than the Chief Executive Officer. The objectives include both Group and individual financial and non-financial targets and are measured over a predetermined time period (up to three years).

The actual amount of the remuneration of the Chief Executive Officer and the other members of the BGE is determined by the Board of Directors acting on a reasoned recommendation from the Nomination and Remuneration Committee.

Bekaert regularly evaluates its overall remuneration policies, in order to ensure alignment with the business environment as well as with legislative requirements. The mid-term and long-term variable remuneration policies for the Chief Executive Officer and for the other members of the Executive Management are currently under review, in order to optimize their alignment with the interests of the Company and its shareholders.

3. Remuneration of the Directors in respect of 2014

The amount of the remuneration and other benefits granted directly or indirectly to the Directors, by the Company or its subsidiaries, in respect of 2014 is set forth on an individual basis in the table below.

The remuneration of the Chairman for the performance of all his duties in the Company was a set gross amount of € 250 000.

The remuneration of each Director, except the Chair, for the performance of the duties as a member of the Board was a set amount of € 42 000, and an amount of € 4 200 for each meeting of the Board attended in person.

The remuneration of the Chair of the Audit and Finance Committee, in the capacity as Chair and member of such a Committee, was an amount of € 4 000 for each Committee meeting attended in person.

The remuneration of each Director, except the Chairman and the Chief Executive Officer, for the performance of his duties as a member of a Board Committee was an amount of € 3 000 for each Committee meeting attended in person.

	in €	Set amount	Amount for Board attendance	Amount for Committee attendance	Total
Chairman					
Paul Buisse		208 350			208 350
Bert De Graeve		145 833			145 833
Board members					
Alan Begg		42 000	25 200	12 000	79 200
Leon Bekaert		42 000	25 200	9 000	76 200
Roger Dalle		42 000	25 200	0	67 200
Bert De Graeve		21 000	12 600	0	33 600
Charles de Liedekerke		42 000	25 200	9 000	76 200
François de Visscher		42 000	21 000	6 000	69 000
Anthony Galsworthy		21 000	12 600	3 000	36 600
Hubert Jacobs van Merlen		42 000	25 200	6 000	73 200
Maxime Jadot		42 000	25 200	6 000	73 200
Lady Barbara Judge CBE		42 000	25 200	29 000	96 200
Mei Ye		21 000	25 200	0	46 200
Matthew Taylor		21 000	12 600	0	33 600
Bernard van de Walle de Ghelcke		42 000	25 200	0	67 200
Baudouin Velge		42 000	25 200	15 000	82 200
Manfred Wennemer		42 000	25 200	6 000	73 200
Total Directors' Remuneration					1 337 183

4. Remuneration of the Chief Executive Officer in respect of 2014 in his capacity as a Director

In his capacity as a Director, the Chief Executive Officer is entitled to the same remuneration as the non-executive Directors, except the remuneration for attending Board Committee meetings for which he receives no compensation (cf. the table above). The remuneration received by the Chief Executive Officer as a Director is included in the base remuneration mentioned in the next table.

5. Performance-related remuneration: criteria, term and method of performance evaluation

The remuneration package of the Chief Executive Officer and the other members of the BGE comprises three performance related elements:

- a short-term variable remuneration, with objectives related to the annual business plan. The objectives are set at the beginning of the year by the Nomination and Remuneration Committee and are approved by the Board. Those objectives include a weighted average of both Group and individual financial and non-financial targets which are relevant in evaluating annual financial performance of the Group and progress achieved against the agreed strategic objectives; they are evaluated annually by the Board. One third of the annual short-term variable remuneration of the Chief Executive Officer is deferred over a period of 24 months; no deferral is applicable for the other members of the BGE.
- a mid-term variable remuneration, with objectives related to the business plan for the next three-year period. Those objectives measure Bekaert's absolute performance against the plan, as well as its relative performance against a relevant panel of other companies. The achievement of those objectives is evaluated by the Board at the end of each three-year period, against pre-agreed criteria.
- a long-term variable remuneration, in the form of the offer of a variable amount of stock options (cf. paragraph 8 below).

At par level, the value of the variable remuneration elements of the Chief Executive Officer and the other members of the BGE exceeds 25% of their total remuneration. More than a quarter of the total pay-out of this variable remuneration is deferred with at least 24 months, whilst another quarter of the total pay-out does only vest after a period of 3 years.

6. Remuneration of the Chief Executive Officer in respect of 2014

In line with the leadership changes announced in 2013, Bert De Graeve was Chief Executive Officer until 14 May 2014, after which he became Chairman of the Board of Directors.

As planned, Matthew Taylor, Chief Executive Officer Designate during the first months of the year, was appointed Chief Executive Officer on 14 May 2014.

The amount of the remuneration and other benefits granted directly or indirectly to the Chief Executive Officers, by the Company or its subsidiaries, in respect of 2014 for their Chief Executive Officer role is set forth below.

Bert De Graeve	Remuneration ⁽¹⁾	Comments
Base remuneration	337 415	Includes Belgian base remuneration as well as Belgian and foreign director fees ⁽²⁾
Short-term variable remuneration	125 000	Annual variable remuneration, based on 2014 performance, paid in 2015
Mid-term variable remuneration	0	Mid-term variable remuneration, based on 2012-2014 performance
Long-term variable remuneration: Normal stock option grant	0	Number of stock options granted in 2014
Pension	228 986	Defined Contribution Plan
Other remuneration elements	45 631	Includes: company car and risk insurances

(1) In respect of 2014 (January-May), in €

(2) The base remuneration includes the remuneration received by the Chief Executive Officer in his capacity as a Director.

Matthew Taylor	Remuneration ⁽¹⁾	Comments
Base remuneration	409 474	Includes Belgian base remuneration as well as Belgian and foreign director fees ⁽²⁾
Short-term variable remuneration	330 208	Annual variable remuneration, based on 2014 performance, paid in 2015 ⁽³⁾ , as well as a contractual sign-on award
Mid-term variable remuneration	0	Mid-term variable remuneration, based on 2012-2014 performance
Long-term variable remuneration: Normal stock option grant	80 000	Number of stock options granted in 2014
Pension	80 208	Defined Contribution Plan
Other remuneration elements	19 907	Includes: company car and risk insurances

(1) In respect of 2014 (June - December), in €

(2) The base remuneration includes the remuneration received by the Chief Executive Officer in his capacity as a Director.

(3) This does not include the deferred annual variable remuneration based on 2014 performance

7. Remuneration of the other Bekaert Group Executive members in respect of 2014

The amount of the remuneration and other benefits granted directly or indirectly to the BGE members other than the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2014 is set forth below on a global basis. This table includes the remuneration and other benefits granted to the Chief Executive Officer Designate until his appointment as Chief Executive Officer on 14 May 2014.

	Remuneration ⁽¹⁾	Comments
Base remuneration	2 917 993	Includes Belgian base remuneration as well as Belgian and foreign director fees
Short-term variable remuneration	738 790	Annual variable remuneration, based on 2013 performance, paid in March 2015
Mid-term variable remuneration	0	Mid term variable remuneration, based on 2012-2014 performance
Pension	434 230	Defined Contribution and Defined Benefit Plan
Other remuneration elements	158 549	Includes : company car and risk insurances

(1) In respect of 2014, in €

8. Stock Options for Executive Management granted in 2014

The number of stock options granted to the Chief Executive Officer and the other members of the BGE in 2014, and the number of options exercised by them or forfeited in 2014 are set forth on an individual basis in the table below.

The stock options granted to the Chief Executive Officer and the other BGE members are based on the SOP 2010-2014 plan that was proposed by the Board of Directors and approved by a Special General Meeting in 2010. The plan offers options to acquire existing Company shares. There is one regular offer of options in December in each of the years 2010 through 2014, and the options are granted on the 60th day following the date of their offer (i.e. in February of the following year).

The aggregate number of options to be offered is determined each year by the Board of Directors on the motion of the Nomination and Remuneration Committee. The number of options to be offered to each individual beneficiary is variable in part, based on an assessment of such person's long-term contribution to the success of the Company. The options are offered to the beneficiaries free of charge. Each accepted option entitles the holder to acquire one existing share of the Company against payment of the exercise price, which is conclusively determined at the time of the offer and which is equal to the lower of: (i) the average closing price of the Company shares during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer.

The exercise price of the regular stock options offered in December 2013 and granted in February 2014 is € 25.38.

Subject to the closed and prohibited trading periods and to the plan rules, the options can be exercised as from the beginning of the fourth calendar year following the date of their offer until the end of the tenth calendar year following the date of their offer.

The stock options that were exercisable in 2014 are based on the predecessor plans to the SOP 2010-2014 plan. The terms of such earlier plans are similar to those of the SOP 2010-2014 plan, but the options that were granted to employees took the form of subscription rights entitling the holders to acquire newly issued Company shares, while self-employed beneficiaries are entitled to acquire existing shares as in the SOP 2010-2014 plan.

Name	Number of stock options granted in 2014	Number of stock options exercised in 2014	Number of stock options forfeited in 2014
Matthew Taylor	80 000	-	-
Bruno Humblet	21 000	-	-
Lieven Larmuseau	7 500	-	-
Dominique Neerinck	12 000	-	-
Geert Van Haver	9 000	-	-
Piet Van Riet	3 200	-	-
Curd Vandekerckhove	14 000	-	-
Frank Vromant	14 000	-	-
Bart Wille	14 000	-	-

Other than the stock options referred to above, no shares or rights to acquire shares are granted to the Chief Executive Officer or to any other member of the BGE.

9. Severance pay for Executive Management

Belgian law and normal practice are the basis for the severance arrangements with the executive managers, except for the Chief Executive Officer, the Chief Financial Officer and the Chief Human Resources Officer, whose contractual arrangements, entered into at the time of their appointment, provide for a notice period of 12 months.

10. Departure of executive managers

No member of the Executive Management has left the Group in 2014.

11. Company's right of reclaim

There are no provisions allowing the Company to reclaim any variable remuneration paid to Executive Management based on incorrect financial information.

Shares

The Bekaert share in 2014

Approach

Bekaert is committed to providing transparent financial information to its shareholders. It is Bekaert's intention to engage constantly in an open dialogue with its shareholders. Bekaert has always chosen to respond promptly to new international standards. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), which have been adopted by the European Union. Both private and institutional investors can count on our sustained commitment to transparent reporting, be it at shareholders' or analyst meetings.

Share identification

The Bekaert share is listed on NYSE Euronext Brussels as ISIN BE0974258874 (BEKB) and was first listed in December 1972. The ICB sector code is 2727 Diversified Industrials.

The Bekaert share in 2014

2014 started off with a short period of uncertainty in the markets until a clear growth trend started to emerge thanks to reassuring statements on interest rates from the European Central Bank.

The announcement of Bekaert's full year 2013 results, and of the acquisition of the Pirelli steel cord plants on 28 February 2014, were well received by the markets. The share gained 6.5% on the day of the announcement and continued its positive trend over the subsequent months. This trend was reversed mid-May with the announcement of Bekaert's first quarter trading update and the dividend payment. June through August was a period of ups and downs due to the political uncertainty in Ukraine and Scotland on the one hand, and reassuring statements from FED and ECB on the other hand. The Bekaert share held relatively strong during the summer months.

From September till mid-October, the Bekaert share lost up to 20% on the wave of the Auto Index drop. The markets were concerned by an accumulation of negative news on several economic fronts and on a global level.

On 14 November, Bekaert released its third quarter trading update. The update was well received by the markets and the share price gained approximately 10% in the three days following the announcement, despite of the company's cautious outlook for the fourth quarter of 2014.

Most financial markets declined during the month of December, driven by uncertainties in many areas. Also, the Bekaert share dropped due to concerns following a profit warning by one of Bekaert's tire cord competitors in China.

Share performance against stock indices

Share listing*

	in €	2010	2011	2012	2013	2014
Price as at 31 December		85.900	24.785	21.875	25.720	26.345
Price high		86.960	87.980	33.500	31.110	30.195
Price low		32.867	23.500	17.210	20.010	21.900
Price average closing		53.819	54.694	22.592	24.926	27.155
Daily volume		195 856	284 289	218 850	126 923	82 813
Daily turnover (in millions of €)		10.9	14.5	5.0	3.1	2.1
Annual turnover (in millions of €)		2 833	3 774	1 313	796	527
Velocity (%. annual)		85	122	93	54	35
Velocity (%. adjusted free float)		130	188	144	83	54
Free float (%)		61.9	61.7	61.9	62.6	61.8

* All indicators per share before 2010 are stock split-adjusted

Volumes traded

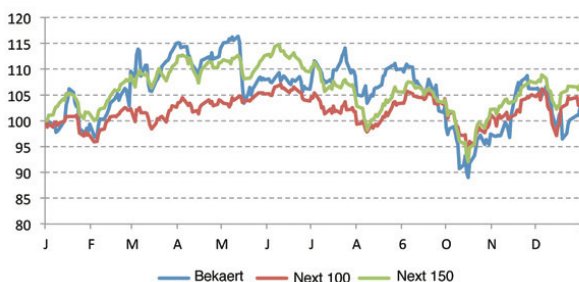
The average daily trading volume was about 83 000 shares in 2014, a decrease by 35%. The volume peaked on 28 February, 451 899 shares were handled.

Bekaert closing prices and volumes in 2014



Bekaert versus Bel20®, NEXT100 and NEXT150

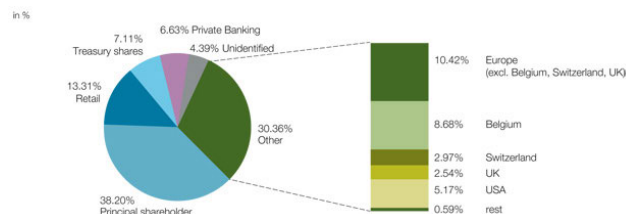
In the BEL20, Bekaert is ranked as number 18, with a market capitalization of € 1.58 billion, a free float market capitalization of € 1.03 billion (61.80% and within the free float band of 65%), band adjusted velocity at 54% and a weight of 1.08 %.

Bekaert versus Bel20® (2014)**Bekaert versus NEXT100 and NEXT150**

The shareholder structure shows a quite strong internationalization.

In connection with the entry into force of the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act) Bekaert has, in its Articles of Association, set the thresholds of 3% and 7.50% in addition to the legal thresholds of 5% and each multiple of 5%. An overview of the current notifications of participations of 3% or more can be found in the Parent Company Information section (Interests in share capital).

The principal shareholders own 38.2% of the shares, while the identified institutional shareholders own 30.36% of the shares. Retail represents 13.31% while Private Banking is 6.63% and 4.39% is unidentified. Of the total number of Bekaert shares, 2.87% is in registered form.

**Capital Structure**

As of 31 December 2014 the registered capital of the Company amounts to € 176 914 000, and is represented by 60 111 405 shares without par value. The shares are in registered or dematerialized form.

Authorized capital

The Board of Directors has been authorized by the General Meeting of Shareholders held on 9 May 2012 to increase the Company's registered capital in one or more times by an aggregate maximum amount of € 176 000 000 (before any issue premium). The authority is valid for five years from 5 June 2012 and can be renewed in accordance with the applicable statutory provisions. Pursuant to this authorization, the Board of Directors may, among others, effect a capital increase under the authorized capital by means of issuing ordinary shares, subscription rights or convertible bonds and may limit or disapply the preferential subscription right of the Company's shareholders. Furthermore, the Board of Directors has been authorized, for a period of three years from 26 June 2014, to make use of the authorized capital upon receipt by the Company of a notice from the FSMA of a public takeover bid for the Company's securities.

Convertible Bonds

The Board of Directors has made use of its powers under the authorized capital when it on 21 May 2014 resolved to issue senior unsecured convertible bonds due 18 June 2018 for an aggregate amount of approximately € 300 000 000. These convertible bonds carry a coupon of 0.75% per annum and their conversion price amounts to € 37.06 per share.

In connection with the issuance of the convertible bonds, the Board of Directors resolved to disapply the preference subscription right of existing shareholders set forth in Articles 596 and following of the Companies Code. The terms of the convertible bonds allow the Company, upon the conversion of the bonds, to either deliver new shares or existing shares or pay a cash alternative amount.

Stock option plans

The total number of outstanding subscription rights under the SOP1 and SOP2005-2009 stock option plans and convertible into Bekaert shares is 490 106.

A total of 47 534 subscription rights were exercised in 2014 under the SOP1 and SOP2005-2009 employee stock option plans, resulting in the issue of 47 534 new Company shares, and an increase of the registered capital by € 141 000 and of the share premium by € 637 914,29.

In addition to the 1 652 677 treasury shares held by it as of 31 December 2013, the Company purchased 2 622 333 own shares in the course of 2014. None of those shares were disposed of in connection with any stock option plans or cancelled in 2014. As a result, the Company held an aggregate 4 275 010 treasury shares as of 31 December 2014.

The fourth regular grant of options under the SOP2010-2014 plan took place on 17 February 2014, when 373 450 options were granted. Each such option will be convertible into one existing Company share at an exercise price of € 25.38.

A fifth and last regular offer of 364 700 options under the SOP2010-2014 plan was made on 18 December 2014, and 349 810 of those options were accepted and were granted on 16 February 2015. Each option of the fifth regular series will be convertible into one existing Company share at an exercise price of € 26.055.

The SOP2010-2014 plan and its predecessor plans comply with the relevant provisions of the Act of 26 March 1999 and with Articles 520ter and 525, last paragraph, of the Companies Code. Detailed information about capital, shares and stock option plans is given in the Financial Review (Note 6.12 to the consolidated financial statements).

In order to mitigate dilution for existing shareholders upon conversion of the convertible bonds, the Board of Directors intends where possible, to repay the principal amount of the convertible bonds in cash and, if the then prevailing share price is above the conversion price, pay the upside in existing shares of the Company. The Board of Directors has initiated a share buy-back program in order to purchase shares, in a number which may or may not equal the maximum number of existing shares which could be required in order to pay the difference between the conversion price and the prevailing share price upon conversion of the bonds. The conversion of the convertible bonds would then have no dilutive effect for existing shareholders.

Furthermore, the terms of the convertible bonds allow the Company to redeem the bonds at their principal amount together with accrued interest in certain circumstances, for example if the Company's shares trade at a price higher than 130% of the conversion price during a certain period after 9 July 2016.

Dividend policy

It is the policy of the Board of Directors to propose a profit appropriation to the Annual General Meeting which, insofar as the profit permits, provides a stable or growing dividend while maintaining an adequate level of cash flow for investment and self-financing in order to support future growth. In practice, this means that the Company seeks to maintain a pay-out ratio of around 40% of the result for the period attributable to the Group over the longer term.

Per share*

	in €	2010	2011	2012	2013	2014**
Intermediate/interim dividend		0.667	0.670			
Dividend without intermediate/interim		1.000	0.500	0.850	0.850	0.850
Total gross dividend		1.667	1.170	0.850	0.850	0.850
Net dividend***		1.250	0.878	0.638	0.638	0.638
Coupon number		12-13	14-15	16	17	18

* All indicators per share before 2010 are stock split-adjusted.

** The dividend is subject to approval by the General Meeting of Shareholders 2015.

*** Subject to the applicable taks legislation

The Board of Directors will propose that the Annual General Meeting to be held on 13 May 2015 approve the distribution of a gross dividend € 0.85 per share.

General Meeting of Shareholders

The Annual General Meeting was held on 14 May 2014. An Extraordinary General Meeting was held on the same day. The resolutions of the meetings are available at www.bekaert.com.

More detailed information is available in the Bekaert Shareholders Guide 2014 and at www.bekaert.com.

Elements pertinent to a take-over bid

Restrictions on the transfer of securities

The Articles of Association contain no restrictions on the transfer of Company shares, except in case of a change of control, for which the prior approval of the Board of Directors has to be requested in accordance with Article 11 of the Articles of Association.

Subject to the foregoing the shares are freely transferable. The Board is not aware of any restrictions imposed by law on the transfer of shares by any shareholder.

Restrictions on the exercise of voting rights

Each share entitles the holder to one vote. The Articles of Association contain no restrictions on the voting rights, and each shareholder can exercise his voting rights provided he was validly admitted to the General Meeting and his rights had not been suspended. The admission rules to the General Meeting are laid down in the Companies Code and in Articles 31 and 32 of the Articles of Association. Pursuant to Article 10 the Company is entitled to suspend the exercise of rights attaching to securities belonging to several owners.

No person can vote at General Meetings using voting rights attaching to securities that had not been timely reported in accordance with the law.

The Board is not aware of any other restrictions imposed by law on the exercise of voting rights.

Agreements among shareholders

The Board of Directors is not aware of any agreements among shareholders that may result in restrictions on the transfer of securities or the exercise of voting rights, except those disclosed in the notifications referred to in the Parent Company Information section (Interests in share capital).

Appointment and replacement of Directors

The Articles of Association (Articles 15 and following) and the Bekaert Charter contain specific rules concerning the (re)appointment, induction and evaluation of Directors.

Directors are appointed for a term not exceeding four years by the General Meeting of Shareholders, which can also dismiss them at any time. An appointment or dismissal requires a simple majority of votes. The candidates for the office of Director who have not previously held that position in the Company must inform the Board of Directors of their candidacy at least two months before the Annual General Meeting.

Only if and when a position of Director prematurely becomes vacant can the remaining Directors appoint (co-opt) a new Director. In such a case the next General Meeting will make the definitive appointment.

The appointment process for Directors is led by the Chairman of the Board. The Nomination and Remuneration Committee submits a reasoned recommendation to the full Board which, on that basis, decides which candidates will be nominated to the General Meeting for appointment. Directors can, as a rule, be reappointed for an indefinite number of terms, provided they are at least 35 and at most 66 years of age at the moment of their initial appointment and they have to resign in the year in which they reach the age of 69.

Amendments to the Articles of Association

The Articles of Association can be amended by an Extraordinary General Meeting in accordance with the Companies Code. Each amendment to the Articles requires a qualified majority of votes.

Authority of the Board of Directors to issue or buy back shares

The Board of Directors is authorized by Article 44 of the Articles of Association to increase the registered capital in one or more times by a maximum amount of € 176 000 000. The authority is valid for five years from 5 June 2012, but can be extended by the General Meeting.

Within the framework of that authority the Board can also, during a period of three years from 26 June 2014, increase the registered capital, upon receipt by the Company of a notice from the FSMA of a public takeover bid, and provided that:

- the shares to be issued are fully paid up upon issue;
- the issue price of such shares is not lower than the price of the bid; and
- the number of shares to be issued does not exceed 10% of the issued shares representing the capital prior to the capital increase.

This authority can also be extended by the General Meeting.

The Board of Directors is authorized by Article 12 of the Articles of Association to acquire a maximum number of own shares that, in the aggregate, represent no more than 20% of the issued capital, during a period of five years from 5 June 2012 (that can be extended by the General Meeting), at a price ranging between minimum € 1.00 and maximum 30% above the arithmetic average of the closing price of the Bekaert share during the last 30 trading days preceding the Board's resolution to acquire.

The Board is authorized to cancel all or part of the purchased shares during such five-year period. The Board is also authorized to acquire own shares, if required to prevent a threatened serious harm to the Company, including a public takeover bid. Such authority is granted for a period of three years from 5 June 2012, but can be extended by the General Meeting.

Articles 12bis and 12ter of the Articles of Association provide rules for the disposal of purchased shares and for the acquisition and disposal of Company shares by subsidiaries.

The powers of the Board of Directors are more fully described in the applicable legal provisions, the Articles of Association and the Bekaert Charter.

Change of control

The Company is a party to a number of significant agreements that take effect, alter or terminate upon a change of control of the Company following a public takeover bid or otherwise. To the extent that those agreements grant rights to third parties that affect the assets of the Company or that give rise to a debt or an obligation of the Company, those rights were granted by the Special General Meetings held on 13 April 2006, 16 April 2008, 15 April 2009, 14 April 2010 and 7 April 2011 and by the Annual General Meetings held on 9 May 2012, 8 May 2013 and 14 May 2014 in accordance with Article 556 of the Companies Code: the minutes of those meetings were filed with the Registry of the Commercial Court of Kortrijk on 14 April 2006, 18 April 2008, 17 April 2009, 16 April 2010, 15 April 2011, 30 May 2012, 23 May 2013 and 20 June 2014 respectively and are available at www.bekaert.com.

Most agreements are joint venture contracts (describing the relationship between the parties in the context of a joint venture company), contracts whereby financial institutions or retail investors commit funds to the Company or one of its subsidiaries, and contracts for the supply of products or services by or to the Company. Each of those contracts contains clauses that, in the case of a change of control of the Company, entitle the other party, in certain cases and under certain conditions, to terminate the contract prematurely and, in the case of financial contracts, also to demand early repayment of the loan funds. The joint venture contracts provide that, in the case of a change of control of the Company, the other party can acquire the Company's shareholding in the joint venture (except for the Chinese joint ventures, where the parties have to agree whether one of them will continue the joint venture on its own, whereupon that party has to purchase the other party's shareholding), whereby the value for the transfer of the shareholding is determined in accordance with contractual formulas that aim to ensure a transfer at an arm's length price.

Other elements

- The Company has not issued securities with special control rights.
- The control rights attaching to the shares acquired by employees pursuant to the stock option plans are exercised directly by the employees.
- No agreements have been concluded between the Company and its Directors or employees providing for compensation if, as a result of a takeover bid, the Directors resign or are made redundant without valid reason or if the employment of the employees is terminated.

Control and ERM

Internal control and risk management systems in relation to the preparation of the consolidated financial statements

The following description of Bekaert's internal control and risk management systems is based on the Internal Control Integrated Framework (1992) and the Enterprise Risk Management Framework (2004) published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Control environment

The accounting and control organization consists of three levels: (i) the accounting team in the different legal entities or shared service centers, responsible for the preparation and reporting of the financial information, (ii) the controllers at the different levels in the organization (such as plant and region), responsible inter alia for the review of the financial information in their area of responsibility, and (iii) the Group Control Department, responsible for the final review of the financial information of the different legal entities and for the preparation of the consolidated financial statements.

Next to the structured controls outlined above, the Internal Audit Department conducts a risk based audit program to validate the internal control effectiveness in the different processes at legal entity level to assure a reliable financial reporting.

Bekaert's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) which have been endorsed by the European Union. These financial statements are also in compliance with the IFRS as issued by the International Accounting Standards Board.

All IFRS accounting principles, guidelines and interpretations, to be applied by all legal entities, are grouped in the IFRS manual, which is available on the Bekaert intranet to all employees involved in financial reporting. Such manual is regularly updated by Group Control in case of relevant changes in IFRS, or interpretations thereof, and the users are informed of any such changes. IFRS trainings take place in the different regions when deemed necessary or appropriate.

The vast majority of the Group companies use Bekaert's global enterprise resource planning ("ERP") system, and the accounting transactions are registered in a common operating chart of accounts, whereby accounting manuals describe the standard way of booking of the most relevant transactions. Such accounting manuals are explained to the users during training sessions, and are available on the Bekaert intranet.

All Group companies use the same software to report the financial data for consolidation and external reporting purposes. A reporting manual is available on the Bekaert intranet and trainings take place when deemed necessary or appropriate.

Risk assessment

Appropriate measures are taken to assure a timely and qualitative reporting and to reduce the potential risks related to the financial reporting process, including: (i) proper coordination between the Corporate Communication Department and Group Control, (ii) careful planning of all activities, including owners and timings, (iii) guidelines which are distributed by Group Control to the owners prior to the quarterly reporting, including relevant points of attention, and (iv) follow-up and feedback of the timeliness, quality and lessons learned in order to strive for continuous improvement.

A quarterly review takes place of the financial results, findings by the Internal Audit Department, and other important control events, the results of which are discussed with the Statutory Auditor.

Material changes to the IFRS accounting principles are coordinated by Group Control, reviewed by the Statutory Auditor, reported to the Audit and Finance Committee, and acknowledged by the Board of Directors of the Company.

Material changes to the statutory accounting principles of a Group company are approved by its Board of Directors.

Control activities

The proper application by the legal entities of the accounting principles as described in the IFRS manual, as well as the accuracy, consistency and completeness of the reported information, is reviewed on an ongoing basis by the control organization (as described above). In addition, all relevant entities are controlled by the Internal Audit Department on a periodic basis. Policies and procedures are in place for the most important underlying processes (sales, procurement, investments, treasury, etc.), and are subject to (i) an evaluation by the respective management teams using a self-assessment tool, and (ii) control by the Internal Audit Department on a rotating basis.

A close monitoring of potential segregation of duties conflicts in the ERP system is carried out.

Information and communication

Bekaert has deployed in the majority of the Group companies a global ERP system platform to support the efficient processing of business transactions and provide its management with transparent and reliable management information to monitor, control and direct its business operations.

The provision of information technology services to run, maintain and develop those systems is to a large extent outsourced to professional IT service delivery organizations which are directed and controlled through appropriate IT governance structures and monitored on their delivery performance through comprehensive service level agreements.

Together with its IT providers, Bekaert has implemented adequate management processes to assure that appropriate measures are taken on a daily basis to sustain the performance, availability and integrity of its IT systems. At regular intervals the adequacy of those procedures is reviewed and audited and where needed further optimized.

Proper assignment of responsibilities, and coordination between the pertinent departments, assures an efficient and timely communication process of periodic financial information to the market. In the first and third quarters a trading update is released, whereas at midyear and yearend all relevant financial information is disclosed. Prior to the external reporting, the sales and financial information is subject to (i) the appropriate controls by the above-mentioned control organization, (ii) review by the Audit and Finance Committee, and (iii) approval by the Board of Directors of the Company.

Monitoring

Any significant change of the IFRS accounting principles as applied by Bekaert is subject to review by the Audit and Finance Committee and approval by the Company's Board of Directors, including the first-time adoption of IFRS in 2000.

On a periodic basis, the members of the Board of Directors are updated on the evolution and important changes in the underlying IFRS standards. All relevant financial information is presented to the Audit and Finance Committee and the Board of Directors to enable them to analyze the financial statements. All related press releases are approved prior to communication to the market.

Relevant findings by the Internal Audit Department and/or the Statutory Auditor on the application of the accounting principles, as well as the adequacy of the policies and procedures, and segregation of duties, are reported to the Audit and Finance Committee.

Also a periodic treasury update is submitted to the Audit and Finance Committee.

A procedure is in place to convene the appropriate governing body of the Company on short notice if and when circumstances so dictate.

General Internal Control and ERM

General internal control and ERM The Board of Directors and the BGE have approved the Bekaert Code of Conduct, which was first issued on 1 December 2004 and updated on 1 March 2009. The Code of Conduct sets forth the Bekaert mission and beliefs as well as the basic principles of how Bekaert wants to do business. Implementation of the Code of Conduct is mandatory for all companies of the Group. The Code of Conduct is included in the Bekaert Charter as Appendix 3 and available at www.bekaert.com.

More detailed policies and guidelines are developed as considered necessary to ensure consistent implementation of the Code of Conduct throughout the Group.

Bekaert's internal control framework consists of a set of group policies for the main business processes, which applies Group-wide. Bekaert has different tools in place to constantly monitor the effectiveness and efficiency of the design and the operation of the internal control framework. A mandatory training on internal control is organized for all new employees and a self-assessment tool is in place allowing management teams to evaluate themselves on the internal control status. The Internal Audit Department monitors the internal control situation based on the global framework and reports to the Audit and Finance Committee at each of its meetings.

The BGE regularly evaluates the Group's exposure to risk, its potential financial impact and the actions required to monitor and control the exposure.

At the request of the Board of Directors and the Audit and Finance Committee management has developed a permanent global enterprise risk management ("ERM") framework to assist the Group in managing uncertainty in Bekaert's value creation process on an explicit basis. The framework consists of the identification, assessment and prioritization of the major risks confronting Bekaert, and of the continuous reporting and monitoring of those major risks (including the development and implementation of risk mitigation plans).

The risks are identified in five risk categories: business, operational, financial, corporate and country risks. The identified risks are classified on two axes: probability and impact or consequence. Decisions are made and action plans defined to mitigate the identified risks. Also the risk sensitivity evolution (decrease, increase, stable) is measured to address the effectiveness of the action implementation and potential risk context changes.

Bekaert's 2014 ERM report includes among others, the following potential risks:

- overall pressure on profitability (e.g. general overcapacity in a weak economic environment);
- political/economic/social instability in emerging countries (e.g. Venezuela, Russia);
- globalizing competition;
- asset and profit concentration (e.g. in one city);
- intellectual property risk (overall and permanent risk);
- non-compliance risk with local regulations and with the Bekaert standards;
- wire rod price volatility and source dependency;
- evolution of environmental regulation;
- creditworthiness of customers;
- the risk of failure of the banking system in specific countries.