

BELGIAN CODE OF ETHICS

The aim of this Code of Practice is to provide guidance to ABAF-BVFA members so that they can analyse better the situations in which they perform their duties now or may do in future. It replaces ABAF-BVFA's earlier text on ethics. Its purpose is to clarify points contained in ABAF/BVFA's Articles of Association and Internal Regulations by forming an appendix that is an integral part of the Internal Regulations.

ABAF-BVFA members are required to comply with:

- the legislation in force: compliance with governing laws and regulations and the code of standards such as required knowledge and compliance, prohibition against assisting legal and ethical violations, prohibition against assisting legal and ethical violations, prohibition against use of material non-public information, responsibilities of supervisors (preventing violations).
- the internal regulations and the detailed procedures drawn up by their employer.

The behaviour of ABAF/BVFA members should be principally governed by three general principles:

- members should respect the integrity of markets and the rules governing them;
- members should respect the primacy of the client's interests, which implies
- serving clients with objectivity, loyalty and fairness;
- members should be loyal to their employer.

ABAF/BVFA members should practice financial analysis in an ethical manner that reflects credit on themselves and their profession. They should encourage others around them to do likewise. Members should keep their knowledge of the legislation and regulations applicable to their activities up-to-date and permanently ensure that they comply with these rules. It goes without saying that members will refrain from undertaking or causing others to undertake transactions on the basis of inside information.

Any ABAF/BVFA member who encounters difficulties in the interpretation of this Code of Practice in respect of a particular situation should:

- ask himself if he is willing to justify in public the manner in which he envisages behaving;
- not hesitate to refer, if necessary, to their immediate superiors or to the Committee of the Code of Practice.

Acknowledgements: ABAF/BVFA has been allowed by SFAF to copy mutatis mutandis its new text on the Code of Professional Practice of February 2002. ABAF/BVFA offers its sincerest thanks for this permission.

TABLE OF CONTENTS

1. General principles
2. Conflicts of interest
3. Seeking information and contacts with issuers
4. Dissemination
5. Analysts' own private transactions
6. Other provisions
7. Sanctions

1. GENERAL PRINCIPLES

1.1. Use of privileged information

1.1.1. According to article 181 of the law dated 4/12/90, soon replaced by the law dated 2/08/02 relating to the supervision of the financial sector and of the financial services, information is said to be “privileged” when it is “non-public, accurate and could have an influence on prices”.

1.1.2. ABAF/BVFA members who have acquired privileged information about the outlook for an issuer of financial instruments or its position, or for the future performance of a quoted financial instrument, should not undertake or cause others to undertake any market transaction, either directly or through a third party, before this information is made public. Furthermore, members should not communicate such information to anyone, including their colleagues, with the exception of their superiors. Members should refrain from using this privileged information to provide investment advice, whether orally or in writing. A research report that contains no privileged information or that a ABAF/BVFA member has produced without using privileged information to form an opinion, or both, will in principle not be considered as constituting privileged information even if the dissemination of this research report has an impact on the market price of the securities of the company studied.

1.1.3. It should be remembered that the use of privileged information is liable to administrative or legal sanctions or both.

1.1.4. ABAF/BVFA members should ask their source if the information is confidential and whether it could have any impact on the price of the issuer's securities. It must be reminded that release of information is the responsibility of the issuer. In case of doubt, members should seek the advice of their superiors or the Committee of the Code of Practice, and if necessary make their superiors aware of the risks involved in potential improper use of privileged information.

1.1.5. Analysts whose work and recommendations are intended for dissemination should not accept or seek to obtain confidential information relating to any company or quoted security from a person holding privileged information who works within their own establishment or external to it (for the issuer for example).

1.1.6. In their contacts with issuers, ABAF/BVFA members should ensure that the enterprise is aware of the context in which these contacts are made and their purpose.

1.2. Behaviour that may lead others into error

ABAF/BVFA members should abstain from publicity disseminating, by whatever channels or means, false or misleading information about the outlook for an issuer of financial instruments or its position or for the future performance of a financial instrument.

1.3. Primacy of clients' interests

The prime purpose of reports written and advice given by ABAF/BVFA members should be the interest of the persons receiving the results of their analysis. Members' research and advice should reflect their independence of judgement and their objectivity and not be affected by the activities of departments, including their own, of the establishment in which they work. A client is defined as being any entity or natural person making investments.

1.4. Giving and receiving of gifts and benefits

ABAF/BVFA members should not accept gifts, presents or any benefit in any form whatsoever, whether from clients or third parties (such as issuers, intermediaries or others), that could affect or cast doubt upon their independence of judgement. Furthermore, members should comply strictly with the procedures in force, implemented by their employers in this regard.

1.5. Quality

ABAF/BVFA members will be attentive to the clarity of their investment advice by stating clearly the characteristics, the risks and in so far as is possible, the envisaged length of the proposed investments. In so far as possible, members should adapt their message to the level of knowledge of the persons receiving their reports (private investor or institutional clientele). Members will ensure that they refrain from any reckless recommendation or target price and specify the assumptions underlying their valuations, showing their reasoning. In their reports, members will distinguish facts and objective information, for which they will cite their sources, from assumptions, interpretations and personal judgement. Earnings assumptions should be the result of analysts' own thinking and not come from issuers' declarations alone. In any case, ABAF/BVFA members should be able to justify, and in particular to the Committee of the Code of Practice, the reliability of their sources and the reasoning presented by them and under their responsibility.

1.6. Fair dealing with clients

ABAF/BVFA members will ensure that they avoid allowing one or more clients to benefit to the exclusion of others, whatever the media used, from their research, recommendations or material changes of recommendation regarding quoted securities before these are disseminated to all the clients of the establishment to which they belong, under the conditions set under section 4. In any case, members should comply with the procedures for internal and external dissemination in place in their establishment, which are presumed to meet the general principles of fair dealing that govern the use and dissemination of research.

1.7. Relations with the media

In their relations with the media, ABAF/BVFA members non-independent should remember that they are engaging their employer's responsibility, either directly or indirectly. It is therefore imperative that they comply with the procedures laid down by their establishment regarding communication with or through the media.

2. CONFLICTS OF INTEREST

2.1. ABAF/BVFA members may, occasionally, find themselves in situations leading to conflicts of interest either

a) personally (see the paragraph on analysts' own private transactions), or

b) as an employee, as a result of:

- their employer's relationship with issuers;
- their employer's own-account transactions;
- relationships of a capital nature between their employer and an issuer.

2.2. If this situation should arise, members should contact their superiors or the Committee of the Code of Practice of ABAF/BVFA, which will advise them on the conduct to adopt in accordance with the principles of transparency and objectivity as provided for by regulations and the recommendations of the regulators under whose authority their employer falls. In all cases, members should respect the primacy of interest of their client by applying or by ensuring application by their employer of the following principles:

- Objectivity of judgement: ABAF/BVFA members' opinions should remain objective and independent. Members should not give preference to their own or their employer's eventual interests to the detriment of their client; in all cases members should be able to justify their conclusions and their argumentation to their peers.
- Sell-side and Buy-side analysts should not be informed of an investment bank's transaction. Nevertheless, on the occasional instances where they are so informed they may only communicate under the authority of the Committee of the Code of Practice. The Committee of the Code of Practice may, for example, impose a period of abstention appropriate to each case. Sell-side analysts working in an investment bank will find it easier to comply with the Code of Practice if their establishment has put in place effective Chinese walls and adequate procedures separating the teams engaged in financial operations from those engaged in research. This organisation is built in particular on different management structures and remuneration schemes for analysts that are not directly linked to the financial operations and their success (for example transactions on primary markets, significant sales of securities made by a shareholder to one or more selected investors, public offerings) as the market authorities recommend or demand, depending on the case.

3. SEEKING INFORMATION AND CONTACTS WITH ISSUERS

3.1. ABAF/BVFA members collect information by attending meetings open to a large number of participants, by participating in General Meetings, by analysing communiqués and official company documents, through regular or occasional contacts with enterprises (such as private visits, telephone contacts, etc.) and in general by monitoring their technical, industrial, competitive, commercial and financial environment.

3.2. ABAF/BVFA recommends analysts should not use confidential information held on issuers or markets by the other departments of the establishment where they work when giving investment advice. This is the case in a credit institution regarding contacts made in the context of its commercial banking operations, financial operations, fund management or stock market services; similarly, in an investment undertaking, ABAF/BVFA members should not take account in their reports of any knowledge that they may have of orders whose execution, entrusted to the investment undertaking, may have an impact on the market performance of the security concerned.

3.3. The purpose of private visits or direct contacts is to obtain a clearer idea of the position of an enterprise and its evolution in its context and to obtain clarification of specific published information.

3.4. In these private contacts made at their initiative in the context of research in progress or the regular monitoring of an enterprise, ABAF-BVFA members find answers to their precise information need, in the manner most suited to the extent of their own knowledge of the subject. During such contacts, analysts should ensure that the enterprise know in which context the contacts are made and for what purpose.

3.5. If, in the light of particular duties performed by ABAF/BVFA members, the company provides them during an interview with information that may be regarded as “privileged”, or if there is any doubt, members should discuss the matter with their superiors or their Committee of the Code of Practice and should ask the issuer to confirm

whether the information is privileged or not. In this situation, ABAF-BVFA members may neither use nor divulge this information until it has been officially published.

3.6. Any review of a research report by an issuer before publication should be strictly limited to factual matters and may in no case bring into question the independence of the analyst’s judgement.

4 DISSEMINATION

4.1. The bringing together and the analysis of various pieces of information, none of which on its own can be regarded as privileged, may result in conclusions whose dissemination will have an influence on stock market prices.

4.2. In consequence, ABAF/BVFA members and their employers should ensure that the dissemination of the services for which they are responsible (written or oral information, recommendations, changes in recommendation or estimates etc.) that could lead to an impact on market prices is carried out, in so far as is possible, in an equitable manner.

4.3. Whenever clients are to receive from a provider of investment services, research reports produced by the provider, the service agreement should state the manner in which these reports will be disseminated.

4.4. Appropriate procedures should be put in place to avoid discrimination whenever the service agreement between the client and the provider of investment services allows for the receipt of financial research services:

- restriction, upstream, of the dissemination of the information to a minimum of authorised persons (superiors, revision team etc.);
- shortening of the time between the decision to start the research or the recommendation and the dissemination of this research.
- downstream, no internal dissemination of the written work before it has been disseminated externally.

4.5. It is evidently desirable that all information, recommendations and changes of recommendation relating to quoted companies should be disseminated as early as possible in the day (ideally before trading commences) to enable the largest possible number of investors concerned to learn of this new information and to act in consequence. Although desirable, this should not however be regarded as a constraint, given:

- the continuous nature of news (in particular the occurrence of important events, announcements and meetings organised by companies), subject to the dissemination conditions decided by companies and intended to ensure that the public has been provided with information; and
- the growing internationalisation of the holding of and trading in securities.

4.6. The practical difficulties involved in implementing this principle give full meaning to the concept of the “best efforts” of financial intermediaries.

5. ANALYSTS’ OWN PRIVATE TRANSACTIONS

5.1. ABAF/BVFA members will comply scrupulously with the rules laid down in their employer’s internal regulations and clarified on a case-by-case basis by their Committee of the Code of Practice in particular with regard to the establishment where their account is held.

5.2. ABAF/BVFA members may not personally take a position, either directly or through another party, on securities, whether quoted or not, in whose monitoring they participate in professions using financial analysis techniques.

5.3. If analysts come to hold securities for reasons outside of their control (through inheritance or by holding the securities before entering the profession etc.) or in the case of employee saving schemes, it is recommended that they should either be held in the form of a collective investment instrument or be entrusted to an agent for management.

6. OTHER PROVISIONS

6.1. ABAF/BVFA members should accept no remuneration or benefit of a nature to affect their independence and judgement in the performance of their duties, from clients or third parties (for example issuers, intermediaries or others).

6.2. Analysts’ ancillary activities

ABAF/BVFA members who take part in outside activities relating to matters corresponding to their main activity, related to the practice of financial analysis, even under a pseudonym or anonymously, should ensure that the privilege the interests of their principals and are attentive to the repercussions of information and comments disseminated.

6.3. Employers’ responsibilities

6.3.1. The questions of privileged information, conflicts of interest, codes of conduct or of dissemination of information to clients give rise to special ethical responsibilities for specialised research firms, investment undertakings and other financial intermediaries.

6.3.2. These responsibilities are extensively reflected in ABAF/BVFA’s ethical rules, about which all members should inform their employers.

6.3.3. Furthermore, whenever ABAF/BVFA members are in a position of authority over financial analysis or fund management departments, they should ensure that all their staff behave in a manner that complies with ABAF/BVFA's ethical rules. However, problems in complying with ethical principles may be more acute due to the presence of ABAF/BVFA members and non-members within the same team or when the manager is not a ABAF/BVFA member, or both. For this reason it is strongly recommended that employers adopt the ABAF/BVFA Code of Practice and apply it to all staff concerned.

6.4. Creation of jurisprudence

6.4.1. This text corresponds to general rules that are issued with a view to helping ABAF/BVFA members make a better assessment of the situations in which they may find themselves.

6.4.2. The Committee of the Code of Practice may in the future propose to ABAF/BVFA's governing Council; modifications to this text the Committee may also request the President to distribute to all members any interpretation notes that may be considered useful, in the light of events of which the Committee becomes aware, whether they involve members of the Association or not.

7. SANCTIONS

Complaints about a member of the association regarding the non-compliance with one or several of the above-explained rules should be sent by registered letter to the Board of Directors of the Association. This latter reserves itself the right not to take into account complaints of which the origin cannot be identified.

On request of the Board of Directors the Committee of the Code of Practice, foreseen by the articles of association, will initiate a file and the preliminary investigation. The Committee may invite the member to be heard; in the frame of this hearing the member may ask for the assistance by other members of the Association.

The Committee of the Code of Practice may also seek the help of one or more members of the Association. As members of the Committee of the Code of Practice they are bound by the same investigation secret. The Committee of the Code of Practice may suggest sanctions to the Board of Directors. It may also make proposals as to the publicity to be given to the case, without prejudice to the rights of the defendant.

Sanctions may vary: a private or a public reprimand, suspension for a specific term or lifelong striking out of a member. The lifelong striking out is to be submitted of the General Assembly. The member concerned will be informed about the sanctions by registered letter.

ABAF – Association Belge des Analystes Financiers
BVFA – Belgische Vereniging van Financiële Analisten

Date of Issuance: June 2011