

## CORPORATE GOVERNANCE

Brunel International's understanding of corporate governance is based on applicable laws, the rules and regulations applicable to companies listed on the NYSE Euronext Amsterdam stock exchange and the Dutch corporate governance code (the "Code"). The full text of the Code can be viewed on [www.commissiecorporategovernance.nl](http://www.commissiecorporategovernance.nl).

The Board of Directors and Supervisory Board are responsible for maintaining the corporate governance structure and for ensuring compliance with that structure. They render joint account on these issues to the General Meeting of Shareholders.

Following the introduction of the Code in 2005, Brunel International's corporate governance structure was discussed at the Annual General Meeting of Shareholders in May 2005. This included a few aspects where our corporate governance deviates from the Code. In December 2008, the revised Code was introduced. Where feasible and relevant, Brunel implemented these changes through an amendment of the by laws of the Board of Directors and Supervisory Board respectively. In May 2010 an overview report on corporate governance was submitted for discussion to the General Meeting of Shareholders under a separate agenda item.

Brunel is of the opinion that the vast majority of the principles and best practices of the Code are being applied. The corporate governance structure at Brunel International and the deviations of the Code are based on current conditions and views within Brunel International. Conditions may change which may lead to adjustments in the structure and in the way in which Brunel International complies with the Code. Substantial change to the corporate governance structure of the company will be submitted to the General Meeting of Shareholders for discussion and approval.

### Deviations from the Dutch corporate governance code

#### **II.1 A management board member is appointed for a maximum period of four years.**

One member of the Board of Directors was appointed before 2005 and was appointed for an indefinite period. In 2009 the only other member of the Board of Directors has been appointed for a period of four years.

#### **IV.1 The General meeting of shareholders of a company not having statutory two tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third.**

In 2005 the General Meeting of Shareholders decided to discontinue the adoption of the rules applicable to statutory two-tier entities ("structuurregime"). The Supervisory Board was granted the right to submit a binding nomination in the case of the appointment of Directors and Supervisory Directors. In deviation from best practice provision IV.1.1 such nomination may only be rejected by the General Meeting of Shareholders by means of a two-thirds majority of votes cast, representing more than half the issued capital.

**IV.3.1 Provision of information shall be made for all shareholders to follow meetings with analysts, presentations to investors and institutional investors and press conferences in real time, for example by means of webcasting or telephone.**

Information for analysts, shareholders, the press and other parties in the financial markets is provided in accordance with the relevant recommendations in the code. However Brunel does not entirely comply with the public nature of meetings, for example through transmission on the Internet. The company posts pre-recorded interviews with the CEO on its website on which he elaborates on the results to date.

Structure and Shares

The authorized capital of Brunel International N.V. is EUR 5 million, divided into 99.8 million ordinary shares and 1 priority share. The par value of the ordinary shares is EUR 0.05 each. The par value of the priority share is EUR 10,000. On 31 December 2010 the number of outstanding shares was 23.246,312.

Priority Share

The priority share, which has a par value of EUR 10,000, has been issued to Stichting Prioriteit Brunel, subject to the condition precedent that the majority shareholder loses its majority share in Brunel's share capital. The priority share will be fully paid up as soon as the issue becomes unconditional. The protective stipulations are included in the Articles of Association of Brunel International and are posted on the company's website.

Major shareholder

According to the Netherlands Authority for the Financial Markets (AFM) register on notification of substantial holdings, Brunel founder Mr J. Brand directly or indirectly holds a capital interest of approximately 63%, with corresponding voting rights.

Annual General Meeting of Shareholders

Brunel is required to hold an Annual General Meeting of Shareholders within 6 months after the end of the financial year in order to, among other things, adopt the financial statements and to decide on any proposal concerning dividends. Further to Dutch law, the release from liability of the members of the Board of Directors and release from the liability of Supervisory Board members for the performance of their respective duties during the financial year are also agenda items for this meeting.

Further details about the proposals which the Supervisory Board or the Board of Directors can submit to the meeting and the procedure according to which shareholders themselves can submit matters for consideration by the meeting, are specified in the company's Articles of Association.

Voting rights

Each shareholder has the right to attend General Meetings of Shareholders, either in person or by written or electronic proxy, to address the meeting and to exercise voting rights, subject to the provisions of Brunel's Articles of Association. An eligible shareholder has the aforementioned rights if registered as shareholder on the applicable record date as set by the Board of Directors.

Each of the shares in Brunel International's share capital carries the right to cast one vote. Unless otherwise required by Dutch law or Brunel's Articles of Association, resolutions are passed by a simple majority of votes cast by the shareholders present or represented at the meeting.

#### Delegation

On 6 May 2010, the Annual General Meeting of Shareholders authorised the Board of Directors for a period of 18 months to issue (rights) to shares and to restrict or exclude shareholders' pre-emption rights, with due observance of the law and Articles of Association (which require the approval of the Supervisory Board). The authorisation is limited to 5 per cent of Brunel Internationals N.V.'s issued share capital, as at the date of issue. A new authorisation will be submitted for approval to the Annual General Meeting of Shareholders of 12 May 2011.

On 6 May 2010 the Annual General Meeting of Shareholders also authorised the Board of Directors for a period of 18 months to acquire own shares with due observance of the law and the Articles of Association (which require the approval of the Supervisory Board) to the maximum of 10 per cent of the issued share capital of Brunel International N.V, by means of stock market purchases or in any other way, at prices lying within the bandwidth of 10% above and 10% below the Euronext Amsterdam opening price for the company's shares on the day of the purchase, or, in default thereof, the most recent prices registered. A new authorisation will be submitted for approval to the Annual General Meeting of Shareholders of 12 May 2011.

#### Amendment to the Articles of Association

Amendment to Brunel's Articles of Association can take place upon a proposal of the Board of Directors approved by the Supervisory Board and adopted by the General Meeting of Shareholders. A proposal to amend the Articles of Association must be stated in a notice convening a General Meeting of Shareholders. The proposal shall be passed upon an absolute majority of the votes cast in the General Meeting of Shareholders.

#### Board of Directors

The Board of Directors currently consists of two members, the Chief Executive Officer and the Chief Financial Officer. Members of the Board of Directors are appointed by the General Meeting of Shareholders on the binding proposal of the Supervisory Board. The binding character can be waived by means of a two-thirds majority of votes cast, representing more than half the issued capital.

Tasked with the management of the company, the Board of Directors is responsible for setting Brunel's mission, vision and strategy and execution of its implementation, takes responsibility for Brunel's overall results and addresses the corporate responsibility issues relevant to Brunel. The Board of Directors acts in accordance with the interest of Brunel and is to that end required to consider all appropriate interests associated with the company. The Board of Directors is responsible for complying with all relevant primary and secondary legislation, the risk profile associated with the strategy, the corporate responsibility issues relevant to the company, its financing, and its external communications. The Board of Directors is required to report developments on the abovementioned subjects to, and discuss the internal risk management and control systems with, Brunel's Supervisory Board and its Audit Committee.

### Supervisory Board

Brunel's Articles of Association determine that the Supervisory Board consists of a minimum of three members. The Supervisory Board determines the number of its members.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders on the binding proposal of the Supervisory Board. The binding character can be waived by means of a two-thirds majority of votes cast, representing more than half the issued capital.

The Supervisory Board is charged with supervising the Board of Directors and the general course of affairs of Brunel, as well as assisting the Board of Directors by providing advice. The Supervisory Board evaluates the corporate structure and the control mechanisms established by the Board of Directors. In performing its duties the Supervisory Board shall take into account the relevant interest of the company's stakeholders, and, to that end, consider all appropriate interests associated with the company. Members of the Supervisory Board perform their duties without mandate and independent of any particular interest in the business of the company. The Supervisory Board is responsible for the quality of its own performance and for this purpose annually reviews its performance. The responsibility for proper performance of its duties is vested in the Supervisory Board as a whole.

Brunel ensures that there are structured reporting lines to the Supervisory Board.

The Audit Committee assists the Supervisory Board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, the external audit process, the external auditor's qualifications, independence and performance.

The Chairman of the Supervisory Board ensures the proper functioning of the Board and its committees and acts on behalf of the Supervisory Board as the main contact for the Board of Directors. The Vice-Chairman replaces the Chairman when required and acts as contact for the other Board members concerning the functioning of the Chairman.

The by-laws of the Supervisory Board are posted on the company's website, [www.brunel.net](http://www.brunel.net).

### Management- and control systems relating to the financial reporting process.

The Board of Directors is focused on continuously strengthening Brunel's internal control over financial reporting. A detailed description of Brunel International's risk & control framework, including a description of the most important management systems, can be found in Chapter 7 of the 2010 Annual Report.

### Auditor

The Annual General Meeting of Shareholders charges the external auditors with the task of auditing Brunel's annual accounts.