



2011

Annual Report of Corporate Governance

Enovos International S.A.

Edited: April 2012



Enovos International S.A.

Registered as a société anonyme
(public limited company)
under Luxembourg law with a capital of
EUR 90,962,900
Registered office: Esch-sur-Alzette
Luxembourg Trade and Companies' Register
B11723

**Annual Report of
Corporate Governance 2011**

**Enovos International S.A.
May 2012**

This Report refers to the Corporate Governance
Charter

The Corporate Governance represents a major
concern to Enovos Group and the latest adopted
Charter, as well as the Annual Reports, may be
downloaded at www.enovos.eu

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Enovos International S.A.

Corporate Governance Bodies

General Meeting of Shareholders

The shareholders of Enovos International S.A. met twice in 2011.

1) January 6th, 2011: Extraordinary General Meeting of Shareholders

The extraordinary meeting was held in the context of the merger of the energy activities formerly held by the City Administration of Luxembourg ("Ville de Luxembourg") into Enovos Group companies. All shareholders were present or validly represented.

The articles of association have been amended in several points, and the following resolutions have been taken, all passed by unanimous votes:

- The share capital has been increased from 84,450,000 € to 90,962,900 € by the issue of 65,129 new shares of a nominal value of 100 € each, all being subscribed by the new shareholder, the City of Luxembourg, and paid by the contribution in kind of 616,964 shares held in Enovos Luxembourg S.A.
- The number of members of the Board of Directors has been increased to 16.
- In consequence, Articles of association 19.2, 19.5 have been amended.
- Dr Uwe Leprich, as permanent representative of director "Ville de Luxembourg", has been appointed to the Board of Directors.

The meeting was held before Maître Joëlle Baden, and the deed was duly recorded and published.

Copies of the deed and of the new articles of association are held at disposal, on demand, at the secretariat general of the Board of Directors.

In the context of said merger, the shareholders furthermore amended different non-public agreements, and in particular the shareholders'

agreement agreed upon in 2008 in the context of the constitution of Enovos Group.

2) May 10th, 2011: Ordinary General Meeting of Shareholders

In execution of Article 15.3 of the articles of association, the shareholders met on the second Tuesday of May to hold the annual general meeting of shareholders. All shareholders were present or validly represented.

The shareholders acknowledged the Director's Reports and the Statutory Auditor's Reports on Enovos International and Enovos Group consolidated for the fiscal year 2010, and then passed the following resolutions, all by unanimous votes:

- Approval of the Annual Accounts of Enovos International S.A. and Enovos Group consolidated.
- Approval of the Annual Reports of Enovos International S.A. and Enovos Group consolidated.
- Allocation of year end result 2010 of Enovos International S.A. and determination of the dividend.
- Discharge of the Directors on behalf of their service during the fiscal year 2010.
- Appointment of the Statutory Auditor for the fiscal year 2011, Ernst & Young Luxembourg.

As of December 31st, 2011, the shareholder list presents as follows, each share supporting an equal voting right: see Table 1

On December 27th, 2011, Mr Jean Lucius, Member of the Executive Committee of Enovos International S.A., informed the members of the Board of Directors that the company opened a data room available to the advisors of ArcelorMittal during a due diligence conducted in the sales process of their participation in the company.

Table 1

State of the Grand-Duchy of Luxembourg	231,405 shares	25.44 %
ArcelorMittal Luxembourg S.A.	213,600 shares	23.48 %
RWE Energy Beteiligungsverwaltung GmbH	167,000 shares	18.36 %
SNCI (Société Nationale de Crédit et d'Investissement)	91,054 shares	10.01 %
E.ON Ruhrgas International GmbH	91,000 shares	10.00 %
Administration communale de la Ville de Luxembourg	72,770 shares	8.00 %
Electrabel S.A.	42,800 shares	4.71 %
TOTAL	909,629 shares	100.00 %

Board of Directors

The Board of Directors met 5 times in 2011: on 4th March, 15th April, 15th June, 30th September and on 25th November. All meetings were chaired by Mr Etienne SCHNEIDER.

The average physical attendance of Board members at all meetings reached 81% (proxy not accounted). The three members of the Executive Committee and the Secretary General of the Board were present at all meetings. The Board was also supported by the presence of several members of the senior management of the company who provided detailed information on the subjects of the agenda.

The debates have been recorded in minutes, all approved unanimously and signed in the following meeting.

The Board of Directors discussed and resolved on all relevant subjects, and in particular on those stipulated in Article 20 of the articles of association of the company.

The Board of Directors heard reports and advice on specific subjects that have been dressed by the committees and resolved in particular on:

- Annual accounts and midterm business plans
- Major investments submitted to individual votes
- Strategic developments.

All resolutions of the Board of Directors have been taken by unanimous votes or by majority votes with abstention(s).

There has been no conflict of interest stated by any Director in accordance with Article 25.8 of the articles of association.

As of December 31st, 2011, the Board of Directors was composed as follows:

- Directors elected under the terms of the first paragraph of Article 19.2 of the articles of association:

Etienne SCHNEIDER	Chairman
Marco HOFFMANN	Vice-Chairman
Jean-Claude KNEBELER	Director
Gaston REINESCH	Director

Director Pierre RAUCHS resigned from his office on September 30th, 2011.

- Directors elected under the terms of the second paragraph of Article 19.2 of the articles of association:

Fernand FELZINGER	Vice-Chairman
Claude SEYWERT	Vice-Chairman
Nico WIETOR	Director

- Directors elected under the terms of the third paragraph of Article 19.2 of the articles of association:

André GILBERTZ	Director
Charles HUTMACHER	Director
Arnold NEUDECK	Director

- Directors elected under the terms of the fourth paragraph of Article 19.2 of the articles of association:

Eric BOSMAN	Director
Peter FRANKENBERG	Director
Tim HARTMANN	Director
Uwe LEPRICH*	Director
Peter PICHL	Director

** Mr Uwe LEPRICH is the permanent representative of the director "Administration communale de la Ville de Luxembourg"*

As of February 2nd 2012, Mr Etienne SCHNEIDER resigned from office, and Mr Marco HOFFMANN was appointed Chairman by the Board of Directors. As of April 20th, 2012, Mrs Patrizia LUCHETTA and Mr Tom THEVES were co-opted as Directors by the Board of Directors; their appointments are to be confirmed by the next Annual General Meeting of Shareholders.

Biographical Note on Mr Etienne SCHNEIDER, Chairman and Executive Director of Creos Luxembourg S.A.:

Mr Etienne SCHNEIDER was born on January 29th, 1971, in Dudelange (Luxembourg). He passed his primary and high school in Luxembourg and graduated in commercial and financial sciences from ECHEC Management School Brussels (Belgium) and Greenwich University London (UK). He started his professional career at the European Parliament, represented Luxembourg at NATO, and was appointed in 1997 Secretary General of the socialist party group (LSAP) in the Luxembourgish Parliament. In 2004, Mr Etienne Schneider was appointed Advisor, the Senior Advisor, to the Luxembourgish Government,

holding important responsibilities as Director General at the Ministry of the Economy and Foreign Trade. He was appointed by the Government to the Board of Directors of several distinguished entrepreneurship in the energy sector: Chairman and CEO of SEO S.A., CREOS Luxembourg S.A., Chairman of ENOVOS International S.A. and ENOVOS Deutschland AG. He also assumes the Vice-Chairman of the “Société Nationale de Crédit et d’Investissement” SNCI. On February 2nd, 2012, Mr Etienne Schneider entered the Luxembourg Government as Minister of the Economy and Foreign Trade.

Committees

In order to ensure group-wide convenient corporate governance, the Board of Directors of Enovos International S.A. formed several committees whose mandates are described in the Corporate Governance Charter of the Group.

The Audit Committee

The Audit Committee met 5 times in 2011, on 16th February, 1st April, 15th June, 30th September and 25th November. All meetings were chaired by Mr Claude Seywert.

The average physical attendance of committee members at all meetings reached 83%. The committee was supported by the presence of the members of the Executive Committee and several members of the senior management of the company who provided detailed information on the subjects of the agenda. All meetings were held in the presence of the Head of Internal Audit, in charge of the minutes of the Committee. The agenda of its meetings as well as the recommendations expressed by the Committee to the Board of Directors are not commented and not published.

As of December 31st, 2011, the Audit Committee was composed as follows:

Claude SEYWERT	Chairman
Eric BOSMAN	Member
Peter FRANKENBERG	Member
Tim HARTMANN	Member
Marco HOFFMANN	Member
Uwe LEPRICH	Member
Arnold NEUDECK	Member
Gaston REINESCH	Member

The Group Strategy Committee

The Group Strategy Committee met 6 times in 2011: on 26th January, 4th March, 5th July, 14th July, 18th September and on 24th November. All meetings were chaired by Mr Etienne Schneider.

The average physical attendance of non-executive committee members at all meetings reached 83%. The committee was supported by the presence of several members of the senior management of the company who provided detailed information on the subjects of the agenda. All meetings were held in the presence of the Head of Corporate Development & Strategy, in charge of the minutes of the Committee. The agenda of its meetings as well as the recommendations expressed by the Committee to the Board of Directors are not commented and not published.

As of December 31st, 2011, the Group Strategy Committee was composed as follows:

Etienne SCHNEIDER	Chairman
Romain BECKER	Member
Eric BOSMAN	Member
Nestor DIDELOT	Member
Fernand FELZINGER	Member
Peter FRANKENBERG	Member
Tim HARTMANN	Member
Marco HOFFMANN	Member
Uwe LEPRICH	Member
Jean LUCIUS	Member
Gaston REINESCH	Member
Claude SEYWERT	Member

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee met 4 times in 2011: on 6th January, 15th April, 10th May and on 25th November.

The average physical attendance of committee members at all meetings reached 92%. The committee was supported by an external counsel, KPMG, who provided expertise and was in charge of the minutes of the Committee. The agenda and the topics of the Committee are not commented and not published.

As of December 31st, 2011, the Audit Committee was composed as follows:

Etienne SCHNEIDER	Chairman
Fernand FELZINGER	Member

Peter FRANKENBERG	Member
Tim HARTMANN	Member
Marco HOFFMANN	Member
Gaston REINESCH	Member

Executive Board

The Executive Board of Enovos International S.A. met 43 times in 2011.

In principle, the meetings are held on a weekly basis, either on Mondays or at the beginning of the week, and gather the three Executive Directors as well as, depending on the agenda, a wide range of senior managers, convened by due notice. The minutes of the meetings are drafted by the Secretary of the Executive Committee and excerpts of the decisions are transmitted to the concerned management lines in order to ensure execution and follow-up of the decisions.

Members of the Executive Board in 2011 were:

Romain BECKER, CEO Creos Luxembourg S.A., Managing Director of Creos Deutschland GmbH

Romain Becker was born on 6th July 1954 in Bettembourg (Luxembourg).

He passed his primary and high school in Luxembourg and graduated in electrotechnical engineering from the Eidgenössische Technische Hochschule (ETH) in Zürich (Switzerland). Romain Becker started his career in 1978 as Advisor to the Luxembourgish Government and as Government energy commissioner and was appointed in 1996 first as member of senior management, then since 1997 as Chief Executive Officer (CEO) of Cegedel S.A. At the time of the merger of Cegedel into Enovos Group, Romain Becker was appointed to his current positions in July 2009.

Romain Becker may be joined at romain.becker@creos.net.

Nestor DIDELOT, CFO Enovos International S.A.

Nestor Didelot was born on 29th April 1953 in Luxembourg.

He passed his primary and high school in Luxembourg and graduated as economist

from the "Universität-Gesamthochschule" in Hagen (Germany). Nestor Didelot started his career at Cegedel S.A. in 1973 and held several senior management positions before entering the Executive Board in 1997. At the time of the merger of Cegedel into Enovos Group, Nestor Didelot was appointed Executive Vice-President in charge of the Renewable Energies and Cogeneration Department. Since 5th February 2010, he is Member of the Executive Committee as Chief Financial Officer (CFO) in charge of finance, administration, human resources, information technologies and group integration. Nestor Didelot will retire from offices in summer 2012.

Nestor Didelot may be joined at nestor.didelot@enovos.eu.

Jean LUCIUS, CEO Enovos Luxembourg S.A.

Jean Lucius was born on 23rd February 1956 in Luxembourg.

He passed his primary and high school in Luxembourg and graduated in civil engineering in metallurgy from "Université de Liège" (Belgium).

From 1989 to 1998, Jean Lucius held several senior manager positions in the steel industry group Arbed (currently ArcelorMittal). In 1998, he entered the energy industry as Chief Executive Officer (CEO) of Soteg S.A. At the time of the merger of Soteg into Enovos Group, Jean Lucius was appointed to his current positions in July 2009.

Jean Lucius may be joined at jean.lucius@enovos.eu.

Compliance

Among the key principles of corporate governance of the Enovos Group, compliance with laws, regulation and high ethical standards is paramount.

A Code of Business Conduct, encompassing a whistleblowing system and various policies incorporated by reference (IT Security Policy, Travel Policy and Credit Card Policy) have been worked out during 2011 in close cooperation between the Corporate Legal Department of Enovos International S.A. and the Internal Audit Department. The release of this Code will occur in 2012 and be accompanied by appropriated training programs to the employees of the Enovos Group.

The General Counsel of the Enovos Group has been entrusted with the role of Group Compliance Officer, with a mission of:

- identifying, assessing, advising, monitoring and reporting compliance risks,
- managing and controlling for compliance with laws, regulatory framework and contractual requirements, including the organization's communication with external relevant bodies (regulator, government supervisory entities...).

The General Counsel is also responsible of the legal function within the Enovos Group, and is supported in his activities by a team of in total, in Luxembourg and Germany, seven inhouse lawyers, advising and assisting closely management of the Enovos Group across day-to-day business on legal requirements and compliance issues. In this respect, in addition to the drawing up of the Code of Business Conduct, these activities encompassed in 2011 among others: setting up or reviewing of delegation of powers and signatures, trading authorization policies, standard contract forms (trading agreements, energy sales conditions and contracts, confidentiality agreements ...), keeping informed on developments in energy law or related issues (implementation of 3rd energy package in Luxembourg, changes in EC regulation regarding trading – i.a. MiFID, REMIT-, German EEG-Novelle, French loi NOME...).

External Audit

Enovos Group companies and Enovos International strictly respect legal and regulatory requirements related to external audit proceedings.

For the fiscal year 2011, the Statutory Auditor was appointed by the Annual General Meeting of Shareholders of May 10th, 2011. The mandate was attributed to Ernst & Young S.A. Luxembourg. The responsible partner in charge has been Mr Jeannot Weyer.

Information about the external auditor may be found on www.ey.com/LU/en/Home.

Internal Audit

The group internal audit function has been established at the end of 2009, following the Enovos/Creos merger, and is currently staffed by one person. During 2011, some internal audits were done in co-sourcing with external companies (PwC; KPMG) for a total cost of approximately 140K €.

The mission of the group internal audit is to provide independent, objective assurance and consulting services designed to add value and improve the Group's operations. It helps the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Internal Audit function also assists management with regard to the identification, assessment and mitigation of risks.

Internal audit reports to the CFO of Enovos International, with a direct link to the Audit Committee. The Head of Internal Audit is also the secretary of the Audit Committee.

The activities of the group internal audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit Committee. The annual plan is derived from an annual risk assessment based on a process mapping exercise. Internal Audit works in close relation with the Head of Group Risk Management.

The internal audit function monitors the implementation of its internal control recommendations and regularly reports on effective compliance to the Audit Committee.

In 2011, the following areas have been audited: trading financial reporting, portfolio management, gas procurement financial reporting, project controlling, travel & entertainment. A misconduct audit was also performed during the year. For each audit, a list with recommendations was drawn up and agreed upon with the management to be implemented within a short time frame. Internal Audit also supported the implementation of new company policies & procedures (ex. Whistleblower Policy, Code of Business Conduct, Travel Policy, IT Security Policy).

The group internal audit function regularly exchanges relevant information with the group's external auditors.

The internal audit function conforms to the standards and the code of ethics defined by the Institute of Internal Auditors (IIA).

Risk Management

The Group Risk Management function had been attributed to a new Head of Department in January 2011. The function is allocated to one person who shares both the functions of Secretary General of the Board of Directors of Enovos International and the Head of Corporate Governance.

The risk management functions have been organized historically in two dimensions:

- a) Luxembourg: risk management for trading and portfolio management activities are separated from operational risk management.

The activities of energy trading and portfolio management are underlying a risk limit policy defined in December 2010 by the Board of Directors of Enovos Luxembourg S.A.

In 2011, the operational risk survey and reporting was situated in the middle office of Enovos Luxembourg trading department, in cooperation

with all other relevant departments and especially the trading front office and the trading back office, as well as the portfolio management department. The Group Risk Management acted as competent advisor to the Group management, without taking active participation in the operations.

In 2011, a global study of the relevant departments was conducted with external advisors under the objective to re-organize and optimize the internal and commercial services of Enovos Luxembourg (project "moving forward"). The Head of Group Risk Management participated in these works of analysis and process description. As a consequence, the organizational charts and the risk management resources were re-organized as of January 2012. The main outcomes are the following:

- A risk management department in charge of the market activities is positioned under the direct responsibility of the CEO and the COO of Enovos Luxembourg (not anymore under the responsibility of the operational trading or PFM management).
- Under the auspices of the Audit Committee, Enovos Luxembourg established a Risk Committee Markets including the Head of Group Risk Management. This committee will be operational in early 2012 and ensure accurate and transparent reporting of trading, portfolio, market and price risks at Enovos Luxembourg. As the group intends to centralize the trading and portfolio activities of all commercial companies at Enovos Luxembourg levels, this committee should address, progressively, all questions regarding the Group's activities of "own-use" and "proprietary" trading and portfolio management.
- The credit management (counterpart risk) is under re-organization at Enovos Luxembourg and will also be allocated to the Operational Risk Management department. A global credit risk policy is defined by the head of Group Finance.

In 2011, the activities of Group Risk Management were concentrated on this re-organization process and the follow-up of current existing risk reports.

Operational risks were addressed in 2011 as a follow-up of the previous assessments. This domain considers all other risks of relevant level

to be identified in any core company (holding, grid company or commercial company).

In Luxembourg, operational risk management is not defined by legal regulations. However, risk awareness is actively present and addressed in the daily management office, but not in a formal process and reporting that would also translate common understanding and evaluation. In the coming years, Group Risk Management will have to enhance the risk culture of Luxembourg companies. In collaboration with external advice, Group Risk Management established a new software in 2011 to provide continuous, data-based, and computer-assisted risk reporting and survey (under the brand of "Eagle"). In November 2011, about 60 senior managers of Luxembourg group companies attended workshops, which introduced the concepts of operational risk management at Enovos Group and presented the use of "Eagle" on a large scale. The defined risk assessment processes and reports start in January 2012 with quarterly reports being issued to the Executive Board concerning the activities of the Luxembourgish departments. The audit committee will also receive a report on the main evolution of the activities and the outcome of the operational risk management processes.

b) Risk management in German group companies

In Germany, legal and regulatory requirements have set the context of risk management for several years.

The risk policies of German group companies are defined in appropriate internal directives, and the practice of risk management, including the reports, are verified by external counsel and auditors.

Current proceedings are considered to be appropriate and will not be changed in the short-term by Group Management.

In that respect, the Head of Group Risk Management stays in contact with the local risk management responsible, reviews all reports and participates in existing local risk committees, without intervening directly in the established processes. Risk management is conducted under the responsibility of the respective senior management of the German companies.

Enovos Luxembourg S.A.

Corporate Governance Bodies

General Meeting of Shareholders

The shareholders of Enovos Luxembourg S.A. met twice in 2011.

1) January 6th, 2011: Extraordinary General Meeting of Shareholders

The extraordinary meeting was held in the context of the integration of the energy activities formerly held by the City Administration of Luxembourg ("Ville de Luxembourg") into Enovos Group companies. All shareholders were present or validly represented.

The articles of association have been amended in several points, and the following resolutions have been taken, all passed by unanimous votes:

- The share capital has been increased from 103,800,000 € to 119,224,100 € by the issue of 15,424,100 new shares of a nominal value of 25 € each, all being subscribed by the new shareholder, the City of Luxembourg, and paid by the contribution in kind of 100% of the ownership held in LEO (Luxembourg Energy Office) S.A.
- The number of members of the Board of Directors has been increased to 15.
- In consequence, articles of association 5.1, 6.1 and 16.1 have been amended.
- Mr Marc Reding has been appointed to the Board of Directors.

The meeting was held before Maître Joëlle Baden, and the deed was duly recorded and published.

Copies of the deed and of the new articles of association are held at disposal, on demand, at the secretariat of the Board of Directors.

Immediately after this extraordinary general meeting of shareholders, the shareholders of Enovos International S.A. met for their own extraordinary general meeting of shareholders and decided their proper increase of share capital by the contribution in kind, by the City of Luxembourg, of the newly subscribed shares of Enovos Luxembourg S.A. As a consequence of these two successive transactions, the ownership

of 100% shares of Enovos Luxembourg S.A. stayed in the sole hands of Enovos International S.A.

2) May 10th, 2011: Ordinary General Meeting of Shareholders

In execution of Article 15.3 of the articles of association, the shareholders met on the second Tuesday of May to hold the annual general meeting of shareholders. All shareholders were present or validly represented.

The shareholders acknowledged the Director's Reports and the Statutory Auditor's Reports for the fiscal year 2010, and then passed the following resolutions, all by unanimous votes:

- Approval of the Annual Reports
- Approval of the Annual Accounts
- Allocation of year end result 2010 and determination of the dividend
- Discharge of the Directors on behalf of their service during the fiscal year 2010
- Appointment of the Statutory Auditor for the fiscal year 2011, Ernst & Young Luxembourg

As of December 31st, 2011, the shareholder list presents as follows, each share supporting an equal voting right:

Enovos International S.A.	
4,768,964 shares	100.00 %

Board of Directors

The Board of Directors met 4 times in 2011: on 4th March, 15th April, 30th September and on 25th November. All meetings were chaired by Mr Marco HOFFMANN.

The average physical attendance of Board members at all meetings reached 88 % (proxy not accounted).

The Secretary of the Board was present at all meetings. The Board was also supported by the presence of several members of the senior management of the company who provided detailed information on the subjects of the agenda.

The debates have been recorded in minutes, all approved unanimously and signed in the following meeting.

The Board of Directors heard reports and advice on specific subjects that have been discussed by the committees and resolved in particular on:

- Annual accounts and midterm business plan
- Major investments submitted to individual votes.

All resolutions of the Board of Directors have been taken by unanimous votes or by majority votes with abstention(s). There has been no conflict of interest stated by any Director in accordance with Article 15.5 of the articles of association.

As of December 31st, 2011, the Board of Directors was composed as follows:

- Directors proposed to election by the shareholder holding the highest number of shares (the State and SNCI being counted as one shareholder) in Enovos International S.A.:

Marco HOFFMANN	Chairman
Henri HAINE	Director
Guy LENTZ	Director
Georges REDING	Director
Gaston REINESCH	Director

- Directors proposed to election by the shareholder holding the second highest number of shares (the State and SNCI being counted as one shareholder) in Enovos International S.A.:

Claude SEYWERT	Vice-Chairman
Fernand FELZINGER	Director
Nico WIETOR	Director

- Directors proposed to election by other shareholders of Enovos International S.A. than those shareholders holding the highest or second highest number of shares (the State and SNCI being counted as one shareholder):

Peter FRANKENBERG	Director
Tim HARTMANN	Director
Marc REDING	Director
Johan VAN BRAGT	Director

- Directors representing the Executive Management:

Jean LUCIUS	CEO & Director
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- Directors representing the employees:

Luc DISWISCOUR	Director
Georges REUTER	Director

Executive Management

In accordance with Article 15.3 of the articles of association, the daily management is delegated to an executive director.

Chairman Mr Marco HOFFMANN was appointed Executive Director and Mr Jean LUCIUS was selected as Chief Executive Officer (CEO).

Biographical Note on Mr Marco HOFFMANN, Chairman and Executive Director:

Marco Hoffmann was born on 11th January 1966 in Luxembourg.

He passed his primary and high school in Luxembourg and graduated in electrotechnical engineering from the University of Kaiserslautern (Germany). Marco Hoffmann started his career in 1992 at General Motors Luxembourg before entering the Ministry of Economics and Energy in 1996, where he currently acts as Senior Advisor to the Luxembourgish Government. In 2007, he was appointed Chairman and Executive Director of SOTEG S.A. and, in 2002, he was appointed to the same positions at Luxgaz Distribution S.A. Subsequently to the constitution of Enovos Group, Marco Hoffmann was appointed Chairman and Executive Director of Enovos Luxembourg S.A. and Vice-Chairman of the Board of Enovos International S.A.

Marco Hoffmann may be joined at marco.hoffmann@eco.etat.lu.

Creos Luxembourg S.A.

Corporate Governance Bodies

General Meeting of Shareholders

The shareholders of Creos Luxembourg S.A. met three times in 2011.

1) January 6th, 2011: Extraordinary General Meeting of Shareholders

The extraordinary meeting was held in the context of the merger of the energy activities of the City Administration of Luxembourg (“Ville de Luxembourg”) into Enovos Group companies. All shareholders were present or validly represented.

The articles of association have been amended in several points, and the following resolutions have been taken, all passed by unanimous votes:

- The share capital has been increased from 159,081,000 € to 198,851,260 € by the issue of 1,988,513 new shares without nominal value, all being subscribed by the new shareholder, the City of Luxembourg and paid, firstly, by the contribution in kind of its electricity and gas networks and grid infrastructure, together with its assets and liabilities and, secondly, by a contribution in cash.
- The number of members of the Board of Directors has been increased to 20.
- In consequence, articles of association 5.1, 9.5, 20.1 and 28.1 have been amended.
- Mrs Christiane Schaul and Messrs Thierry Kuffer and Jean Schiltz have been appointed to the Board of Directors.

The meeting was held before Maître Joëlle Baden, and the deed was duly recorded and published.

Copies of the deed and of the new articles of association are held at disposal, on demand, at the secretariat of the Board of Directors.

2) May 10th, 2011, at 9.30 a.m.: Ordinary General Meeting of Shareholders

In execution of Article 14.3 of the articles of association, the shareholders met on the second Tuesday of May to hold the annual general meeting of shareholders. 21 shareholders holding 9,806,348 shares (98.6%) were present or validly represented.

The shareholders acknowledged the Director’s Reports and the Statutory Auditor’s Reports for the fiscal year 2010 and then passed the following resolutions, all by unanimous votes:

- Approval of the Annual Reports
- Approval of the Annual Accounts
- Allocation of year end result 2010 and determination of the dividend
- Discharge of the Directors on behalf of their service during the fiscal year 2010
- Determination of the remuneration of the members of the Board of Directors
- Appointment of the Statutory Auditor for the fiscal year 2011, Ernst & Young Luxembourg
- Mr Fernand Schiltz has been appointed to the Board of Directors.

3) May 10th, 2011, at 10.15 a.m.: Extraordinary General Meeting of Shareholders

23 shareholders holding 9,816,438 shares (98.7%) were present or validly represented, deliberated and passed the following resolutions, all by unanimous votes:

- Transfer of the registered offices from L-1445 Strassen (2, rue Thomas Edison) to L-2450 Luxembourg (2, boulevard Royal)
- In consequence, articles of association 4.1, and 23.1 were amended.

As of December 31st, 2011, the shareholder list presents as follows, each share supporting an equal voting right: see Table 2.

Table 2

Enovos International S.A.	7,500,000 shares	75.43 %
Administration communale de la Ville de Luxembourg	1,988,513 shares	20.00 %
State of the Grand-Duchy of Luxembourg	227,025 shares	2.28 %
Fédération des Installateurs Sanitaires et Climatiques	10,090 shares	0.10 %
43 administration communales du Grand-Duché *, in total	216,935 shares	2.18 %
TOTAL	9,942,563 shares	100.00 %

* each of the following 43 communal public administrations (municipalities) holds 5,045 shares (0.05 %):

Bertrange	Bettendorf
Betzdorf	Bissen
Biwer	Bous
Colmar-Berg	Contern
Dalheim	Diekirch
Erpeldange	Ettelbrück
Feulen	Frisange
Grevenmacher	Grosbous
Heiderscheid	Hobscheid
Kehlen	Koerich
Kopstal	Leudelange
Lintgen	Lorentzweiler
Mamer	Mersch
Mertert	Mertzig
Mondorf-les-Bains	Niederanven
Remich	Sandweiler
Schengen	Schieren
Schuttrange	Steinfort
Steinsel	Waldbredimus
Walferdange	Weiler-la-Tour
Wellenstein	Wiltz
Winseler	

In accordance with Article 28 of the articles of association, the 43 shareholding municipalities organize their representation in Creos Luxembourg S.A. by the Coordination Committee of Municipalities.

Board of Directors

The Board of Directors met 4 times in 2011: on 3rd March, 14th April, 29th September and on 24th November. All meetings were chaired by Mr Etienne SCHNEIDER.

According to the law, the “Commissaire du Gouvernement à l’Energie” is invited to assist, without voting right, the meetings of the Board of Directors of Creos Luxembourg S.A. which has been granted the legal concessions as grid operator in Luxembourg. Appointed by Grand-Ducal Decree, Mr Tom EISCHEN held this post in the year 2011.

The average physical attendance of Board members at all meetings reached 80% (proxy not accounted). The Secretary of the Board was present at all meetings. The Board also was supported by the presence of several members of the senior management of the company who

provided detailed information on the subjects of the agenda.

The debates have been recorded in minutes, all approved unanimously and signed in the following meeting.

The Board of Directors heard reports and advice on specific subjects that have been dressed by the committees and resolved in particular on:

- Annual accounts and midterm business plan
- Major investments submitted to individual votes.

All resolutions of the Board of Directors have been taken by unanimous votes or by majority votes with abstention(s).

There has been no conflict of interest stated by any Director in accordance with Article 19.5 of the articles of association.

As of December 31st, 2011, the Board of Directors was composed as follows:

- Directors proposed to election by the shareholder holding the highest number of shares (the State and SNCI being counted as one shareholder) in Enovos International S.A.:
Etienne SCHNEIDER Chairman
Guy AREND Director
Marc LEONHARD Director
Roland MICHEL Director
Georges MOLITOR Director
One position as Director was vacant in 2011.

- Directors proposed to election by the shareholder holding the second highest number of shares (the State and SNCI being counted as one shareholder) in Enovos International S.A.:
Nico WIETOR Vice-Chairman
Fernand FELZINGER Director
Claude SEYWERT Director

- Directors proposed to election by other shareholders of Enovos International S.A. than those shareholders holding the highest or second highest number of shares (the State and SNCI being counted as one shareholder):
Manfred FESS Director
Stephan KAMPHUES Director
François THOUMSIN Director

- Directors proposed to election by the shareholder holding the second largest number of shares in Creos Luxembourg S.A.:

Thierry KUFFER	Director
Christiane SCHAUL	Director
Jean SCHILTZ	Director

- Director proposed to election by the Coordination Committee of Municipalities in accordance with Articles 20 and 28 of the articles of association:

Fernand SCHILTZ	Director
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- Directors representing the Executive Management :

Romain BECKER	CEO & Director
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- Directors representing the employees:

Patrick COLLING	Director
René REITER	Director
Patrick THEIN	Director

As of February 2nd, 2012, Mr Etienne SCHNEIDER resigned from his office.

As of April 19th, 2012, Mr Mario GROTZ has been co-opted as Director and Chairman by the Board of Directors, the appointment is to be confirmed by the next Annual General Meeting of Shareholders.

Executive Management

In accordance with Article 19.3 of the articles of association, the daily management is delegated to executive directors, whereby the Chairman is appointed as executive director.

In 2009, Chairman Mr Etienne SCHNEIDER was appointed Executive Director and Mr Romain BECKER has been selected as Chief Executive Officer (CEO).

As of February 2nd 2012, Mr Etienne SCHNEIDER resigned from his office.

As of April 19th, 2012, Mr Mario GROTZ has been appointed Executive Director.

Publication team:

Design and artwork:
binsfeld, Agence en communication

Printers:
Imprimerie Faber



Energy for today.
Caring for tomorrow.

Enovos International S.A.
Domaine Schlassgoart
Bâtiment 9
66, rue de Luxembourg
L-4221 Esch-sur-Alzette
T: (+352) 2737-1
enovos.eu