

A large, stylized sunburst logo composed of multiple white, V-shaped segments radiating from a central point, set against a dark brown background.

2014

Annual Report  
of Corporate Governance

Enovos International S.A.





**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 2014**

**Enovos International S.A.  
May 2015**

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](http://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 once in 2014.

#### 13<sup>th</sup> May 2014: 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.

In respect of Article 25.8 of the articles of association, the Chairman informed the shareholders that two potential conflicts of interest were notified over the course of the year 2013.

Furthermore, the shareholders acknowledged the Management Reports and the Independent Statutory Auditor's Reports of Enovos International S.A. and Enovos Group consolidated regarding the financial year 2013, and passed the following resolutions, all by unanimous votes:

- Ratification of the appointment of Mr Dr Werner Roos as board member of Enovos International S.A.
- Approval of the Annual Accounts 2013, and of their Notes, of Enovos International S.A. and Enovos Group consolidated
- Appropriation of the Net Profit 2013 of Enovos International S.A., reversal of and allocation

to the blocked wealth reserve, and determination of the dividend at 54.00 €/share, totalling 49,119,966 €.

- Full and unrestricted discharge to the Directors on behalf of their office during the financial year 2013.

The shareholders also proceeded in their meeting with the appointment of 13 directors, proposed by the various shareholders in accordance with article 19.2 of the articles of association, and with the designation of the three directors to represent the employees of the company, all to serve on the Board of Directors. The term of office of one director will be the annual general meeting of shareholders stating on the accounts for the financial year ending on December 31<sup>st</sup>, 2014, while the term of office of all the other directors will be the annual general meeting of shareholders stating on the accounts for the financial year ending on December 31<sup>st</sup>, 2019.

The shareholders finally fixed the remuneration scheme for the members of the Board of Directors, also applying for the meetings of the Board committees, and defined taxation and payment terms of this remuneration.

As of 31<sup>st</sup> December 2014, the Shareholder's Register presents as follows, each share supporting an equal voting right: see Table 1

**Table 1**

State of the Grand-Duchy of Luxembourg	231,405 shares	25.44 %
ARDIAN (AXA Redilion ManagementCo S.C.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 (City of) Luxembourg	72,770 shares	8.00 %
Electrabel S.A.	42,800 shares	4.71 %
<b>TOTAL</b>	<b>909,629 shares</b>	<b>100.00 %</b>

## Board of Directors

The Board of Directors met 6 times in 2014: on 14<sup>th</sup> March, 25<sup>th</sup> April, 27<sup>th</sup> June, 19<sup>th</sup> September, 26<sup>th</sup> September, 16<sup>th</sup> December.

Furthermore, the Board of Directors took one Resolution in Writing in accordance with article 25.7. of the articles of association, to appoint, in May 2015 consequently after the annual general meeting of shareholders, its Chairman, three Vice-Chairmen and one Board Secretary.

The average attendance of Board members, either physically or by phone-conference, to all meetings reached 84% (proxy not accounted).

The members of the Executive Committee, except one absence to one meeting, and the Secretary General were present at all meetings.

The Chairman of the Audit Committee was present at 4 of 6 meetings, as a guest to report on the committee's agenda and business. In addition, the Board was supported, on demand, by the presence of several members of the senior management of the group companies who provided detailed information on the subjects of the agenda.

The debates have been recorded in minutes, all approved unanimously and accordingly 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 addressed by the committees and resolved in particular on:

- annual accounts and midterm business plans
- major investments submitted to singular votes
- strategic developments

Most of the resolutions of the Board of Directors, and in particular the resolutions concerning the Annual Accounts and the Annual Reports, were taken by unanimous votes.

Several other resolutions, and in particular the approval of the budget 2015, were taken by majority votes with abstention(s).

There had been registered no single vote against a resolution text put at the Board's appreciation.

On January 23<sup>rd</sup>, 2014, Enovos Board members participated in a workshop on Energy Trading and Wholesale Markets. Were presented in particular: market organisation, risk and hedging, contracts and products, European Regulation, and the company's internal processes in these regards.

Notification in respect of article 25.8 of the Articles of association (conflict of interest):

Board director Mr Peter Frankenberg informed the Board of Directors that he would not participate at Board and Committee meetings dedicated to a potential acquisition deal to avoid a possible conflict of interest. Accordingly, Mr Peter Frankenberg did not receive any information regarding the specific subject.

Board directors Mr Peter Pichl and Mr Werner Roos informed the Board of Directors that they would restrain from participating in the board discussions and decisions concerning an investment project issue. Accordingly, Mr Peter Pichl and Mr Werner Roos did not receive any information regarding the specific subject and were not present in the meeting rooms when the subject was put on the agenda.

### As of 31<sup>st</sup> December 2014, 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:

Marco HOFFMANN	Chairman
Pierre FRANCK <sup>1)</sup>	Director
Patrizia LUCHETTA	Director
Geneviève SCHLINK	Director
Tom THEVES	2 <sup>nd</sup> Vice-Chairman

1) Mr Pierre FRANCK is member of the Board since 13<sup>th</sup> May 2014

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

Fernand FELZINGER	Director
Benoît GAILLOCHET <sup>2)</sup>	1 <sup>st</sup> Vice-Chairman
Stephan ILLENBERGER <sup>2)</sup>	3 <sup>rd</sup> Vice-Chairman

2) Mr Benoît GAILLOCHET and Mr Stephan ILLENBERGER are the permanent representatives of the director "AXA Redilion ManagementCo SCA".  
In its meeting of January 12<sup>th</sup>, 2015, the Board of Directors has accepted the designation of Mr Stephan Fedrigo as new permanent representative of the director "Axa Redilion ManagementCo S.C.A.", in replacement of Mr Stephan Illenberger. The Annual General Meeting of Shareholders shall proceed with the confirmation of such designation.

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

Georges REUTER <sup>3)</sup>	Director
Charles HUTMACHER	Director
Joachim SCHERER <sup>4)</sup>	Director

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

Peter FRANKENBERG	Director
Uwe LEPRICH <sup>5)</sup>	Director
Peter PICHL	Director
Werner ROOS	Director
Erik VON SCHOLZ	Director

3) Mr Georges REUTER is member of the Board since 13<sup>th</sup> May 2014

4) Mr Joachim SCHERER has been co-opted as new member by the Board in its meeting of 26<sup>th</sup> September 2014. The Annual General Meeting of Shareholders shall proceed with the ratification of this appointment.

5) Mr Uwe LEPRICH is the permanent representative of the director "Administration communale de la Ville de (City of) Luxembourg

Resigned from their office on 13<sup>th</sup> May 2014:

Mr André GILBERTZ  
Mr Arnold NEUDECK

## 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 2014 on 28<sup>th</sup> February, 9<sup>th</sup> April, 27<sup>th</sup> June, 16<sup>th</sup> September and 13<sup>th</sup> November.

All meetings were chaired by Mr Stephan Fedrigo.

The average physical attendance of committee members at all meetings reached 83%, either by physical presence or by phone- and video-conference. The committee was supported by the presence of the members of the Executive Committee and several members of the senior management of the group companies who provided detailed information on the subjects of the agenda. As well, the statutory independant external auditor was invited to, and attended several meetings of the Audit Committee.

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 31<sup>st</sup> December 2014, the Audit Committee was composed as follows:

Stephan FEDRIGO	Chairman
Peter FRANKENBERG	Member
Marco HOFFMANN	Member
Uwe LEPRICH	Member
Georges REUTER <sup>*)</sup>	Member
Geneviève SCHLINK	Member
Erik VON SCHOLZ	Member

\*) with the meeting of 27<sup>th</sup> June, Mr Georges REUTER took the office of Mr Arnold NEUDECK

### The Group Strategy Committee

The Group Strategy Committee met 5 times in 2014: on 25<sup>th</sup> February, 4<sup>th</sup> July, 16<sup>th</sup> September, 14<sup>th</sup> November and 18<sup>th</sup> November.

All meetings were chaired by Mr Marco Hoffmann.

The average physical attendance of committee members at all meetings reached 91%, either by physical presence or by phone- and video-conference. The committee was supported by the presence of several members of the senior management of the group companies 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 31<sup>st</sup> December 2014, the Group Strategy Committee was composed as follows:

Marco HOFFMANN	Chairman
Romain BECKER	Member
Fernand FELZINGER	Member
Peter FRANKENBERG	Member
Benoît GAILLOCHET	Member
Uwe LEPRICH	Member
Jean LUCIUS	Member
Werner ROOS	Member
Michel SCHAUS	Member
Geneviève SCHLINK	Member
Tom THEVES	Member
Erik VON SCHOLZ	Member
Guy WEICHERDING	Member

Mr Mario GROTZ, Chairman of the Board of Directors of CREOS Luxembourg S.A., was invited to attend all meetings of the Group Strategy Committee.

#### The Remuneration and Nomination Committee

The Remuneration and Nomination Committee met 6 times in 2014: on 6<sup>th</sup> February, 3<sup>rd</sup> April, 6<sup>th</sup> June, 3<sup>rd</sup> July, 25<sup>th</sup> September and 16<sup>th</sup> December.

All meetings were chaired by Mr Marco Hoffmann.

The average physical attendance of committee members at all meetings reached 100%. The committee was supported by an external counsel, KPMG, who provided expertise and was 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 31<sup>st</sup> December 2014, the Remuneration and Nomination Committee was composed as follows:

Marco HOFFMANN	Chairman
Peter FRANKENBERG	Member
Mario GROTZ	Member
Stephan ILLENBERGER	Member
Werner ROOS	Member

#### Executive Board

The Executive Board of Enovos International S.A. met 42 times in 2014.

In principle, the meetings are held on a weekly basis, either on Tuesdays or at the beginning of the week, and gather its four members 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 General and excerpts of the decisions are transmitted to the concerned management lines in order to ensure execution and follow-up of the decisions. Furthermore, the Executive Board held two off-site meetings in 2014 to prepare several files, and in particular the 2015 budget and mid-term business plan.

Members of the Executive Board in 2014 were:

Romain **BECKER**, Co-Chairman of the Executive Board of Enovos International S.A., CEO of Creos Luxembourg S.A., Managing Director of Creos Deutschland GmbH

Romain Becker was born on 6<sup>th</sup> 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. In 1996, he was appointed first as member of senior management and then, in 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](mailto:romain.becker@creos.net).

Jean **LUCIUS**, Co-Chairman of the Executive Board of Enovos International S.A., CEO of Enovos Luxembourg S.A.

Jean Lucius was born on 23<sup>rd</sup> 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.

Michel **SCHAUS**, Chief of Operational Support

Michel SCHAU was born on 30<sup>th</sup> August 1968 in Luxembourg. He attended primary and high school in Luxembourg, studied for a Master's in Law (LLM) at the London School of Economics in London (UK), and holds a “Maîtrise en Droit International” from the University of Aix-Marseille III (France).

Mr Schaus started his career in 1995 as an attorney with Allen & Overy. In 1998 he took up employment with Cargolux Airlines International S.A. as General Counsel and Head of Legal Affairs. In March 2008, he started work with Soteg S.A. (later merging into Enovos Group). He is a Member of the Executive Committee and as General Counsel and COS (Chief of Operational Support) he is in charge of Facility Management, Human Resources, Internal Audit, as well as Legal and Compliance.

Michel SCHAU may be reached at  
michel.schaus@enovos.eu.

Guy **WEICHERDING**,  
CFO of Enovos International S.A.

Guy Weicherding was born on 25<sup>th</sup> September 1961 in Luxembourg.

He passed his primary and high school in Luxembourg and graduated as a commercial engineer from the “University Catholique de Louvain” in Belgium.

Guy Weicherding started his professional career in 1985 in the Finance department of the steel industry group ARBED (today ArcelorMittal) in Luxembourg. Between 1989 and 2006, he held various senior

positions in the financial management of the wire drawing division and of the long carbon sector within the ARBED/Arcelor Group. In July 2006, Guy Weicherding joined the tooling and machine manufacturer Husky Injection Molding Systems S.A. in Luxembourg as Director of Finance Europe. Finally, he joined Enovos Group in August 2010 as Deputy CFO of Enovos International S.A. before being named to his current position in July 2012 as Chief Financial Officer (CFO) and Member of the Executive Committee, in charge of finance and tax, accounting, controlling, information technologies and risk management.

Guy Weicherding may be reached at  
guy.weicherding@enovos.eu.

## Compliance / Legal

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

The Secretary General of Enovos Group has been entrusted with the role of Group Compliance Officer. His mission consists of identifying, assessing, advising and reporting compliance risks. He also assumes the contact in the context of the “Whistleblowing Policy”. The Group Compliance Officer reports to the Executive Board and prepares an annual compliance report from the Executive Board to the Audit Committee.

A Code of Business Conduct, encompassing a whistleblowing system has been issued, updated and submitted for signature to all employees of the core group companies. Besides, various policies have been issued and elaborated in close cooperation of the Legal Department, the Human Relations Department, the Finance Department, the Internal Audit and the Risk Management Department. In particular may be highlighted the IT Security Policy, the Travel Policy and the Credit Card Policy, Insider Dealing Guidelines, and dedicated “Delegations of Powers” updated twice a year.

In 2014, the Group Compliance Officer put his focus on the subjects “gifts and invitations”, “fraud, corruption and bribery” and “antitrust and competition law”. In particular, a program of more than 340 e-learning lessons was booked and

accomplished by selected managers and employees to improve group wide compliance awareness and appropriate response to potential risk exposure.

For regulatory affairs in particular, Creos Luxembourg appointed a legal department also acting as compliance officer in charge of the “programme d’engagements” that monitors the actions of the grid operator in the context and in respect of unbundling principles.

The Enovos Group is supported in its activities by teams of in-house lawyers advising and assisting the management on legal requirements on major projects (encompassing inter alia merger & acquisitions or transactions on capital markets) and on day-to-day business.

The Legal Departments steer litigation issues of core group companies and guarantee survey of developments in energy law and related legislation.

In addition to the corporate legal department of Enovos International S.A., legal advice is ensured at Enovos Deutschland SE level by a team of 4 in-house lawyers, and independently for grid regulated activities at Creos level, by in total 4 in-house lawyers for Luxembourg and Germany.

## External Audit

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

For the financial/fiscal years 2012, 2013 and 2014, the Statutory Auditor was appointed by the Annual General Meeting of Shareholders of 8<sup>th</sup> May 2012.

The mandate was attributed to PwC (PricewaterhouseCoopers) Luxembourg.

## Internal Audit

The mission of the Group Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the organisation’s operations. It helps the organisation to accomplish its objectives by

bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit function also assists management with regard to the identification, assessment and mitigation of risks.

Internal Audit functionally reports to the COS of Enovos International S.A. and addresses its conclusions to the Audit Committee. The Head of Group Internal Audit is also the secretary of the Audit Committee.

The activities of the 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. 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 and Executive Committees.

The Group Internal Audit function was staffed by two persons.

In 2014, the following areas have been audited in accordance with the annual audit plan: Trading, PFM Sales, Grid Project Management and Production and Exploration.

Upon request of the Audit Committee, Internal Audit also performed an audit on Alliances and Partnerships, Business Development, and Mergers and Acquisitions.

For each audit, a list with recommendations was made and agreed upon with the management to be implemented within a short time frame. There were also quarterly follow-up audits performed to assess to which extent the management had implemented the planned actions from previous year’s internal audits. The Internal Audit function conforms to the standards and the code of ethics defined by the Institute of Internal Auditors (IIA).

## Risk Management

In the global risk concept of the Enovos Group, risk management deals with operational risks, specific energy market risks, security and environmental subjects as well as legal, regulatory and strategic risks. An appropriate risk reporting requires the establishment and promotion of a lively risk culture in the various departments of all group companies and, in particular, the practice of formal assessment and reporting of potential risks. This objective is achieved through workshops organised by the Group Risk Management in the perspective of fostering senior and middle management's awareness to the concept of risk management and the use of the group's risk management software EAGLE. In this context, a dedicated training on risk culture held by an external risk specialist has taken place in October 2014 for the executive committee and senior management.

In 2014, the risk management charter, framework and process have further been developed and bundled into a Group Risk Policy published on the Intranet readily accessible for each employee. The policy defines the set-up of different Risk Committees for the Holding, Enovos and Creos. Hence, the entire group structure is covered. Further, a functional risk organisation has been introduced and local risk coordinators have been designated for the main subsidiaries of the Enovos Group.

For each of the group's key objectives, a risk tolerance has been defined. Risk appetite, defined as the sum of risk tolerances, is the amount that the group is prepared to take in order to pursue its strategy, objectives, business plans and stakeholder expectations. Enovos aims at operating on average within a low to moderate risk tolerance framework in order to achieve its overall targets. The lowest risk appetite has been identified for its core business activities, i.e. installed grid capacity and energy supply as well as employee safety. A higher risk appetite may apply towards developing non-regulated grid activities, energy generation and energy solutions and services.

The EAGLE tool, first introduced in 2012 in order to report the group's risks in a common database using a harmonised risk assessment, allocation and treatment mechanism, has been deployed in 2014 to the subsidiaries in Germany. As of the

end of 2014, about 220 risks were identified and reported in the risk management system. Further, EAGLE has been updated in the following ways:

- Possibility to link each risk to one of the main group objectives;
- The risk assessment has been enhanced to include on top of possible financial impacts also the operational, reputational, compliance and HSE <sup>1)</sup> impacts;
- Enhance the follow-up of the treatment and mitigation of the different risks by defining an action owner and a status per mitigation.

Specifically in the area of the grid companies, the risk management culture has further been formalised with the introduction of a Creos Risk Committee and the organisation of workshops, including training on the best use of EAGLE. In the areas of commercial activities, the risk management department has been positioned under the direct responsibility of the CEO and the COO of Enovos Luxembourg S.A. This department is in progressive development and ensures:

- The establishment of common rules of risk evaluation methods, limits and risk management procedures in the commercial environment;
- The appropriate reporting of the activities performed by the Trading and the Portfolio management departments;
- The evaluation of the commercial counterpart and credit risks for upstream wholesale market contracts and positions, as well as for downstream major customer contracts;
- The supervision of the accurate implementation and reporting to the executive management.

Finally, Enovos Luxembourg S.A. holds a monthly Risk Committee Markets that includes the Head of Group Risk Management of Enovos International S.A. This committee approves amongst others the Internal Limits and Procedures document applicable to the trading and portfolio management activities, and holds an Incident Register.

<sup>1)</sup> Health, Security and Environment





# Enovos Luxembourg S.A.

## Corporate Governance Bodies

### General Meeting of Shareholders

The shareholders of Enovos Luxembourg S.A. met twice in 2014.

#### 13<sup>th</sup> May 2014: 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.

No notification was to be made in respect of Article 25.8 of the articles of association (conflicts of interest).

The shareholders acknowledged the Management Report and the Independent Statutory Auditor's Report regarding the financial year 2013 and passed the following resolutions, all by unanimous votes:

- Ratification of the appointment of Mr Dr Werner Roos as board member of Enovos Luxembourg S.A.
- Approval of the Annual Accounts 2013 and of their Notes
- Appropriation of the Net Profit 2013 and determination of the dividend at 9,44 €/share, totalling 45,019,020 €.
- Unrestricted discharge to the Directors on behalf of their office during the financial year 2013.

The shareholders also proceeded in their meeting with the appointment of 15 directors, all elected in respect of article 16 and article 17 of the articles of association.

The term of office of one director will be the annual general meeting of shareholders stating on the accounts for the financial year ending on December 31<sup>st</sup>, 2014, while the term of office of all the other directors will be the annual general meeting of shareholders stating on the accounts

for the financial year ending on December 31<sup>st</sup>, 2019.

The shareholders finally fixed the remuneration scheme for the members of the Board of Directors and defined the taxation and payment terms of the Board remuneration.

#### 1<sup>st</sup> July 2014: Extraordinary General Meeting of Shareholders

In respect of the company moving its operational offices from Strassen premises to the newly built office spaces situated in Esch-sur-Alzette, and accordingly to the legal and statutory provisions, the company amended Article 4.1 of its articles of association and transferred its registered office to the municipality of Esch-sur-Alzette, Grand-Duchy of Luxembourg.

The deed was passed before Maître Paul Decker, notary residing in Luxembourg, on the first day of July 2014 and limited to the sole resolution in regards of article 4.1 of the articles of association.

As of 31<sup>st</sup> December 2014, 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 5 times in 2014: on 14<sup>th</sup> March, 25<sup>th</sup> April, 27<sup>th</sup> June, 26<sup>th</sup> September and 16<sup>th</sup> December. All meetings were chaired by Mr Marco HOFFMANN.

The average physical attendance of Board members at all meetings reached 89 % (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 group companies who provided detailed information on the subjects of the agenda.

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

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

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

Most of the resolutions of the Board of Directors, and in particular the resolutions concerning the Annual Accounts and the Annual Reports, were taken by unanimous votes.

Several other resolutions, and in particular the appropriation of net profit 2013 (dividends) and the approval of the budget 2015, were taken by majority votes with abstention(s). There had been registered no single vote against a resolution text put at the Board's appreciation.

On January 23rd, 2014, Enovos Board members participated in a workshop on Energy Trading and Wholesale Markets. Were presented in particular: market organisation, risk and hedging, contracts and products, European Regulation, and the company's internal processes in these regards.

To avoid a possible conflict of interest, Board Director Dr Werner Roos left the meeting room when the Board addressed a specific subject.

As of 31<sup>st</sup> December 2014, 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
François KNAFF	Director
Guy LENTZ	Director
Geneviève SCHLINK	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.:

Stephan ILLENBERGER <sup>1)</sup>	Vice-Chairman
Pol-Henry BONTE <sup>2)</sup>	Director
Fernand FELZINGER	Director

1) In its meeting of January 12<sup>th</sup>, 2015, the Board of Directors has accepted the designation of Mr Stephan Fedrigo as new permanent representative of the director "Axa Redilion ManagementCo S.C.A.", in replacement of Mr Stephan Ilленberger. The Annual General Meeting of Shareholders shall proceed with the confirmation of such designation

2) Mr Pol-Henry BONTE replaced Mr Benoît GAILLOCHET as of 13<sup>th</sup> May 2014. Mr Benoît GAILLOCHET and Mr Stephan ILLENBERGER are the permanent representatives of the director "AXA Redilion ManagementCo SCA"

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

Peter FRANKENBERG	Director
Marc REDING	Director
Werner ROOS	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
Pierre KREMER <sup>1)</sup>	Director

1) Mr Pierre KREMER took office from Mrs Pia FORTUNASO on 13<sup>th</sup> May 2014

### Executive Management

In accordance with Article 15.3 of the articles of association, the daily management is delegated to one or several executive director(s).

Chairman Mr Marco HOFFMANN and Chief Executive Officer (CEO) Mr Jean LUCIUS were Appointed Executive Directors.

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

Marco Hoffmann was born on 11<sup>th</sup> January 1966 in Luxembourg.

He passed his primary and high school in Luxembourg and graduated in electrotechnical engineering from the University of Kaiserslautern (Germany). In 1992, Marco Hoffmann started his career 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. Subsequent 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.

With effect on February 2<sup>nd</sup>, 2012, Marco Hoffmann was appointed Chairman of the Board of Directors of Enovos Luxembourg S.A. and Chairman of the Board of Directors of Enovos International S.A.

Marco Hoffmann may be joined at [marco.hoffmann@eco.etat.lu](mailto:marco.hoffmann@eco.etat.lu).

#### **Biographical Note on Mr Jean LUCIUS: see page 9 under “Executive Board”**







# Creos Luxembourg S.A.

## Corporate Governance Bodies

### General Meeting of Shareholders

The shareholders of Creos Luxembourg S.A. met once in 2014.

#### 13<sup>th</sup> May 2014: 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. 19 shareholders holding 9,801,303 shares (98.6 %) were present or validly represented.

In respect of Article 24.7 of the articles of association, no notification was to be made regarding any potential conflicts of interest over the course of the year 2013.

The shareholders acknowledged the Management Report and the Independent Statutory Auditor's Report regarding the financial year 2013 and passed the following resolutions, all by unanimous votes:

- Approval of the Annual Accounts 2013 and of their Notes;
- Appropriation of the Net Profit 2013, reversal of and allocation to the blocked reserve (wealth tax), allocation to other reserves and determination of the dividend at 3.00 €/share, totalling 29,812,554 €;
- Full and unrestricted discharge to the Directors on behalf of their office during the financial year 2013.

In respect of Articles 21 and 22 of the articles of association, the shareholders also proceeded in their meeting with

- the ratification of the appointments of Mrs Anne VAN GOETHEM and Mr Mark LAUWERS as Board members of Creos Luxembourg S.A.;
- the renewal of the appointment of 9 directors; the term of office of these directors will be the

annual general meeting of shareholders stating on the accounts for the financial year ending on 31<sup>st</sup> December 2019;

- the appointment of 6 directors; the term of office of these directors will be the annual general meeting of shareholders stating on the accounts for the financial year ending on 31<sup>st</sup> December 2019;

and acknowledged the designation, in accordance with Article 21.5 of the articles of association and Articles 426-4 and 426-7 of the Labour Code, of the 3 directors representing the employees of the company; the term of office of these directors will be the annual general meeting of shareholders stating on the accounts for the financial year ending on 31<sup>st</sup> December 2019.

Moreover, the shareholders fixed the remuneration scheme for the members of the Board of Directors and defined the taxation and payment terms of the Board remuneration.

Finally, the shareholders authorized the company, in accordance with Article 49-2 of the law of 10<sup>th</sup> August 1915 governing commercial companies, as amended, to acquire its own shares and fixed the procedure and conditions for the share buyback.

As of 31<sup>st</sup> December 2014, the shareholder list presents as follows, each share supporting an equal voting right, except those held by Creos Luxembourg:

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 en Equipements Sanitaires et Climatiques	10,090 shares	0.10 %
42 Communal Public Administrations (municipalities) <sup>1</sup> , in total	211,890 shares	2.13 %
	9,937,518 shares	
Shares held by Creos Luxembourg (without voting right)	5,045 shares	0.05 %
Total	9,942,563 shares	100.00 %

<sup>1</sup> Each of the following 42 Communal Public Administrations (municipalities) holds 5,045 shares (0.05 %):

Bertrange, Bettendorf, Betzdorf, Bissen, Biwer, Bous, Colmar-Berg, Contern, Dalheim, Diekirch, Erpeldange, Esch-sur-Sûre, Ettelbruck, Feulen, Frisange, Grevenmacher, Grosbous, 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, Wiltz, Winseler

In accordance with Article 28 of the articles of association, the 42 shareholding municipalities organize their representation in Creos Luxembourg S.A. by the Coordination Committee of Municipalities.

## Board of Directors

The Board of Directors met five times in 2014: on 13<sup>th</sup> March, 24<sup>th</sup> April, 13<sup>th</sup> May, 25<sup>th</sup> September and 27<sup>th</sup> November. All meetings were chaired by Mr Mario GROTZ.

According to the law, the "Commissaire du Gouvernement à l'Energie" has the right to attend, without voting right, the meetings of the Board of Directors of Creos Luxembourg S.A., that has been granted legal concessions as grid operator in Luxembourg. In 2014, Mr Tom EISCHEN attended the Board meetings in his capacity as Commissaire du Gouvernement à l'Energie.

The average physical attendance of Board members at all meetings reached 91.0 % (proxy not accounted). The Secretary of the Board was present at all meetings. The Board was also supported, on demand, 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 were recorded in minutes, all approved unanimously and accordingly signed at the following meeting.

The Board of Directors heard reports and advice on specific subjects that had been addressed

by the committees (audit committee, strategic committee, remuneration committee, etc.) and resolved in particular on:

- the Annual Accounts as well as the budget and the midterm business plan;
- the annual investment program.

All resolutions of the Board of Directors were taken by unanimous votes or by majority votes with abstention(s). No single vote against a resolution text put to the Board's appreciation had been registered.

Notification in respect of Article 19.5 of the articles of association (conflict of interest):

At the Board meeting on 13<sup>th</sup> March 2014, Board member Mr Stephan KAMPHUES left the meeting room when the Board addressed a specific subject, in order to avoid any impression that a conflict of interest could occur. Accordingly, Mr KAMPHUES did not receive any information regarding this subject.

At the Board meeting on 25<sup>th</sup> September 2014, Board member Mr Stephan KAMPHUES announced that he had a conflict of interest with regard to an acquisition project issue and that he would not take part in any discussion or decision on this subject. Accordingly, Mr KAMPHUES left the meeting

room when the Board addressed the subject and did not receive any information regarding the same.

As of 31<sup>st</sup> December 2014, the Board of Directors was composed as follows:

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

Mario GROTZ	Chairman
Sasha BAILLIE *)	Director
Lex KAUFHOLD *)	Director
Paulette LENERT *)	Director
Anne VAN GOETHEM **)	Director
Marco VALENTINY	Director

\*) Mrs Sasha BAILLIE, Mr Lex KAUFHOLD and Mrs Paulette LENERT replaced Mr Marc LEONHARD, Mr Roland MICHEL and Mr Georges MOLITOR as of 13<sup>th</sup> May 2014.

\*\*) At its meeting on 28<sup>th</sup> November 2013, the Board of Directors had unanimously approved the co-optation of Mrs Anne VAN GOETHEM as Director of the company, in replacement of Mr Guy AREND, for the remaining term of office. The co-optation of Mrs VAN GOETHEM was ratified by the shareholders at the Ordinary General Meeting held on 13<sup>th</sup> May 2014, in accordance with Article 22.1 of the articles of association.

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

Benoît GAILLOCHET **)	Vice-Chairman
Alain NICOLAI	Director
Michael REUTHER *)/**)	Director

\*) Mr Michael REUTHER replaced Mr Fernand FELZINGER as of 13<sup>th</sup> May 2014.

\*\*) Mr Benoît GAILLOCHET and Mr Michael REUTHER are the permanent representatives of the Director "AXA Redilion ManagementCo S.C.A."

- Directors proposed to election by shareholders of Enovos International S.A. other 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
Mark LAUWERS *)	Director *)

\*) At its meeting on 28<sup>th</sup> November 2013, the Board of Directors had unanimously approved the co-optation of Mr Mark LAUWERS as Director of the company, in replacement of Mr François THOUMSIN, for the remaining term of office. The co-optation of Mr LAUWERS was ratified by the shareholders at the Ordinary General Meeting held on 13<sup>th</sup> May 2014, in accordance with Article 22.1 of the articles of association.

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

Julien KOHNEN *)	Director
Thierry KUFFER	Director
Christiane SCHAUL	Director

\*) Mr Julien KOHNEN replaced Mr Jean SCHILTZ as of 13<sup>th</sup> May 2014.

- Director proposed to election by the Coordination Committee of Municipalities in accordance with Article 28.3 of the articles of association:

Jean SCHILTZ	Director
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- Director representing the Executive Management:

Romain BECKER	CEO & Director
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- Directors representing the employees:

Patrick COLLING	Director
André GILBERTZ *)	Director
Claude REDER *)	Director

\*) Mr André GILBERTZ and Mr Claude REDER took offices from Mr Georges REUTER and Mr Patrick THEIN as of 13<sup>th</sup> May 2014.

## Executive Management

In accordance with Article 19.3 of the articles of association, the daily management is delegated to one or several Executive Director(s), whereby the Chairman is appointed as Executive Director.

Chairman Mr Mario GROTZ and Chief Executive Officer (CEO) Mr Romain BECKER were appointed Executive Directors.

### **Biographical Note on Mr Mario GROTZ, Chairman and Executive Director of Creos Luxembourg S.A.:**

Mario GROTZ was born on 5<sup>th</sup> October 1969 in Luxembourg.

He holds a master degree in Economics with a special emphasis on Applied Statistics (Université de Liège).

He started his career working for the Chamber of Commerce and the Chamber of Craft, where he acted as an advisor to SMEs in areas concerning business creation and business management.

In 2001, he joined the Ministry of Economy where his main focus was on the evaluation of R&D projects or programs implemented by the private sector. From 2009-2012, he was appointed Head of Directorate for Infrastructures and Technology.

Since 2012, he is the Director General for Research, Intellectual Property and New Technologies, responsible in particular for the development of the technology based sectors in Luxembourg, that means the cleantech sector, the biotech sector and the ICT sector (including the space sector).

Additionally to his main task, he represents the State of Luxembourg in different boards of private companies. In 2012, he was appointed Chairman of the Board of Directors of Creos Luxembourg S.A.

Mario GROTZ may be joined at [mario.grotz@eco.etat.lu](mailto:mario.grotz@eco.etat.lu).

**Biographical Note on Mr Romain BECKER:**  
see page 9 under “Executive Board Enovos International”

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