



2015

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 2015**

**Enovos International S.A.
May 2016**

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 once in 2015.

12th May 2015: 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 by Board members over the course of the year 2014.

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 2014, and passed the following resolutions, all by unanimous votes:

- Ratification of the appointment of Mr Joachim Scherer as board member of Enovos International S.A. until the AGM to be held in 2020
- Designation of Mr Stephan Fedrigo as permanent representative of the Director "Axa Redilion ManagementCo S.C.A"
- Appointment of Mr Peter Frankenberg as Director until the next AGM to be held in 2016

- Approval of the Annual Accounts 2014, and of their Notes, of Enovos International S.A. and Enovos Group consolidated
- Appropriation of the Net Profit 2014 of Enovos International S.A., reversal of and allocation to the blocked wealth reserve, and determination of the dividend at 26.39 €/share, totaling 24.005.109.- €
- Full and unrestricted discharge to the Directors on behalf of their office during the financial year 2014

As of 31st December 2015, the Shareholder's Register presents as follows, each share supporting an equal voting right: see 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 Beteiligungen GmbH *)	91,000 shares	10.00 %
Administration communale de la Ville de (City of) Luxembourg	72,770 shares	8.00 %
ENGIE (Electrabel S.A.)	42,800 shares	4.71 %
TOTAL	909,629 shares	100.00 %

*) On December 16th, 2015, the Shareholder "E.ON Ruhrgas International GmbH transferred its shares to "E.ON Beteiligungen GmbH"

On December 23th 2015 a change in shareholding was announced.

On March 7th 2016, an extraordinary general meeting of the shareholders of Enovos International S.A. took place. The shareholders agreed on changes of the articles of association (see legal publication or ask for details at Enovos' headquarters) and in the shareholding structure, which is as follows as of 7th March 2016.

Table 2		
State of the Grand-Duchy of Luxembourg	254,693 shares	28.00 %
ARDIAN*	231,794 shares	25.48 %
*) AXA Redilion ManagementCo S.C.A.	213,600 shares	23.48 %
ARDIAN Redilion ManagementCo S.C.A.	18,194 shares	2.00 %
BCEE (Banque et Caisse d'Epargne de l'Etat)	109,169 shares	12.00 %
SNCI (Société Nationale de Crédit et d'Investissement)	129,172 shares	14.20 %
Administration communale de la Ville de (City of) Luxembourg	142,001 shares	15.61 %
ENGIE (Electrabel S.A.)	42,800 shares	4.71 %
TOTAL	909,629 shares	100.00 %

As of March 7th 2016, the Board of Directors is composed as follows :

Marco Hoffmann	Chairman
Benoît Gaillochet ¹⁾	1 st Vice-Chairman
Tom Theves	2 nd Vice-Chairman
Stephan Fedrigo ²⁾	3 rd Vice-Chairman
Werner Brinker	
Andrée Colas	
Pierre Franck	
Charles Hutmacher	
Aloyse Kohll	
Prof. Dr. Uwe Leprich ³⁾	
Marc Reding	
Georges Reuter	
Joachim Scherer	
Dr. Geneviève Schlink	
Claude Strasser	
Johan Van Bragt	

1) Mr Benoît GAILLOCHET is the permanent representative of the director "AXA Redilion ManagementCo S.C.A." since 1st January 2016.

2) Mr Stephan FEDRIGO was the permanent representative of the director "AXA Redilion ManagementCo S.C.A." until 31st December 2015. He is the permanent representative of the director "Azimuth Solutions GmbH" since 1st January 2016.

3) Prof. Dr. Uwe LEPRICH is the permanent representative of the director "Administration communale de la Ville de (City of) Luxembourg"

Board of Directors

The Board of Directors met 6 times in 2015: on 12th January, 13th March, 24th April, 26th June, 25th September, 11th 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 and consequently after the annual general meeting of shareholders, its Chairman, three Vice-Chairmen and its Board Secretary.

The average attendance of Board members, either physically or by phone-conference, to all meetings reached 86% (proxies not accounted for).

The Chairman of the Audit Committee regularly reported to the Board.

The Board of Directors was supported by the presence of the members of the Executive Board.

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 vote on the appropriation of the Net Profit 2014, were taken by majority vote.

As of 31st December 2015, 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
Tom THEVES	2 nd Vice-Chairman
Andrée COLAS ¹⁾	Director
Pierre FRANCK	Director
Geneviève SCHLINK	Director

1) Mrs Andrée COLAS has been co-opted as member of the Board on 25th September 2015 in replacement of Mrs Patrizia LUCHETTA

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

Benoît GAILLOCHET ¹⁾	1 st Vice-Chairman
Stephan FEDRIGO ²⁾	3 rd Vice-Chairman
Fernand FELZINGER ³⁾	Director

1) Mr Benoît GAILLOCHET is the permanent representative of the director "AXA Redilion ManagementCo S.C.A." since 1st January 2016.

2) Mr Stephan FEDRIGO was the permanent representative of the director "AXA Redilion ManagementCo S.C.A." until 31st December 2015. He is the permanent representative of the director "Azimuth Solutions GmbH" since 1st January 2016.

3) Mr Fernand FELZINGER resigned from office on 31st December 2015 and has been replaced by Dr Werner BRINKER co-opted as of 1st January 2016.

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

Georges REUTER	Director
Charles HUTMACHER	Director

Joachim SCHERER Director

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

Peter FRANKENBERG	Director
Uwe LEPRICH ¹⁾	Director
Peter PICHL	Director
Werner ROOS	Director
Johann VAN BRAGT ²⁾	Director

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

2) Mr Johann VAN BRAGT has been co-opted as member of the Board on December 12th 2016 in replacement of Mr Erik VON SCHOLZ

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 6 times in 2015: on 30th January, 27th February, 10th April, 26th June, 18th September and 13th 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 independent 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 31st December 2015, the Audit Committee was composed as follows:

Stephan FEDRIGO	Chairman
Peter FRANKENBERG	Member
Marco HOFFMANN	Member
Uwe LEPRICH	Member
Charles HUTMACHER ¹⁾	Member
Geneviève SCHLINK	Member
Johann VAN BRAGT ²⁾	Member

1) With the meeting of 13th November, Mr Charles Hutmacher took the office of Mr Georges REUTER

2) With the meeting of 11th December 2015, Mr Johann VAN BRAGT took the office of Mr Erik VON SCHOLZ

The Group Strategy Committee

The Group Strategy Committee met 5 times in 2015: on 24th February, 3rd July, 13th November, 20th November and 25th November

All meetings were chaired by Mr Marco Hoffmann.

The average physical attendance of committee members at all meetings reached 97 %, 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 31st December 2015, the Group Strategy Committee was composed as follows:

Marco HOFFMANN	Chairman
Fernand FELZINGER ¹⁾	Member
Peter FRANKENBERG	Member
Benoît GAILLOCHET	Member
Uwe LEPRICH	Member
Jean LUCIUS	Member
Marc REIFFERS	Member
Werner ROOS	Member
Michel SCHAUS	Member
Geneviève SCHLINK	Member

Claude SEYWERT	Member
Tom THEVES	Member
Johann VAN BRAGT ²⁾	Member
Guy WEICHERDING	Member

Mr Romain BECKER retired on 31st July 2015.

MM Marc REIFFERS and Claude SEYWERT joined the Group Strategy Committee with their nomination to the Executive Board on 1st August 2015.

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.

On several meetings the directors MM Stephan FEDRIGO and Peter PICHL replaced their respective colleagues MM Benoît GAILLOCHET and Werner ROOS.

1) Mr Fernand Felzinger resigned from office on 31st December 2015 and was replaced by Dr Werner Brinker as of 1st January 2016

2) With the meeting of 11th December 2015, Mr Johann VAN BRAGT took the office of Mr Erik VON SCHOLZ

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee met 8 times in 2015:

on 5th March, 10th April, 9th June, 18th June, 7th July, 8th October, 12th November and 25th November.

All meetings were chaired by Mr Marco Hoffmann.

The average physical attendance of committee members at all meetings reached 98%. 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 31st December 2015, the Remuneration and Nomination Committee was composed as follows:

Marco HOFFMANN	Chairman
Peter FRANKENBERG	Member
Mario GROTZ	Member
Werner ROOS	Member
Benoît GAILLOCHET	Member

Executive Board

The Executive Board of Enovos International S.A. held 45 regular meetings in 2015.

In principle, the meetings are held on a weekly basis, either on Tuesdays or at the beginning of the week, and gather its five 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 seven off-site meetings in 2015:

- I. to restate on the group's strategy and its implementation and
- II. to prepare the 2016-2020 budget and business plan

Members of the Executive Board in 2015 were:

Romain BECKER

Co-Chairman of the Executive Board of Enovos International S.A., CEO of Creos Luxembourg S.A. 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. 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 in July 2009 to his positions held in 2015.

Romain Becker retired on 31st July 2015.

Jean LUCIUS

Co-Chairman of the Executive Board of Enovos International S.A., CEO of Enovos Luxembourg S.A. CEO of Enovos International 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 CEO of Enovos International S.A. on 1st August 2015. Jean Lucius may be joined at jean.lucius@enovos.eu

Marc REIFFERS

CEO of Enovos Luxembourg S.A.

Marc Reiffers was born on 3rd August 1960 in Ettelbruck (Luxembourg). He attended secondary school in Luxembourg and graduated in mechanical engineering at the "Compiègne University of Technology" (France). He studied for a Master of Science in offshore engineering at the "Cranfield Institute of Technology" (England) and holds a degree in business administration from the "Institute of Business Administration" in Aix-en-Provence (France). From 1986 to 2009, Marc Reiffers held several senior positions in the steel industry group ARBED and ArcelorMittal. In 2009, he joined Enovos Luxembourg S.A. as Head of Markets Strategy & Controlling and was appointed COO in January 2011. As of 1st August 2015, Marc Reiffers has been appointed CEO and member of the board of directors of Enovos Luxembourg S.A. He is member of the Executive Committee of Enovos International S.A. since that date. Marc Reiffers may be reached at marc.reiffers@enovos.eu

Michel SCHAUS

Chief of Operational Support of Enovos International S.A.

Michel Schaus was born on 30th 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). He 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 Schaus was appointed to his current position on July 1st, 2012. Michel Schaus may be reached at michel.schaus@enovos.eu

Claude SEYWERT

CEO of Creos Luxembourg S.A.

Claude Seywert was born on 13th July 1971 in Luxembourg. He attended primary and high school in Luxembourg and graduated in physics at the “Eidgenössische Technische Hochschule” in Zürich (Switzerland). He continued his studies in the United States and holds an M.S. and Ph.D. in aeronautics from the “California Institute of Technology”. He started his professional career as strategy consultant with McKinsey in Germany. In 2002, he joined the group controlling of Arcelor (now ArcelorMittal) in its Luxembourg headquarters and subsequently held several senior positions within the ArcelorMittal group before being appointed COO (Chief Operating Officer) Finishing of ArcelorMittal Florange (France). He joined Creos Luxembourg S.A. in 2012 (having previously served in various boards of directors of the Enovos Group). Beginning 2014, he was named Deputy CEO of Creos Luxembourg S.A. As of 1st August 2015, Claude Seywert has been appointed CEO and member of the board of directors of Creos Luxembourg S.A. He is also a member of the Executive Committee of Enovos International S.A. since that date. Claude Seywert may be reached at claude.seywert@creos.net

Guy WEICHERDING

CFO of Enovos International S.A.

Guy Weicherding was born on 25th 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.

Management Committee Enovos International (MCEI)

The Executive Board is supported by the Management Committee Enovos International (MCEI) composed of the CEO, the COS, the CFO, the Secretary General and a Managing Director from Enovos Germany. The MCEI meets on a bi-weekly basis to coordinate the daily management of the company, group-wide coordination in particular for shared services of the company and convenient internal information.

Compliance / Legal

Among the key principles of corporate governance of Enovos Group, compliance with laws, regulation and high ethical standards are 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 Resources 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, Investment Guidelines, Finance Policy and dedicated “Delegations of Powers” updated twice a year.

In 2015, the Group Compliance Officer put his focus on the subjects “gifts and invitations”, “fraud, corruption and bribery” and “antitrust and competition law”. All activities had exclusively the character of preventive education and advisory, as well as the coordination of group wide compliance awareness and appropriate response to potential risk exposure.

Due to unbundling requirements, Creos Luxembourg has its own legal department.

For regulatory affairs, Creos Luxembourg appointed a 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.

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. composed of 6 in-house lawyers, legal advice is ensured at Enovos Deutschland SE level by a team of 3 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 years 2015 & 2016, the Statutory Auditor was appointed by the Annual General Meeting of Shareholders on 12th May 2014.

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 Chief of Operational Support 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 three persons.

In 2015, the following areas have been audited in accordance with the annual audit plan: Legal and General Administration, Grid Management, Financial Management as well as Sales and Marketing.

Upon request of the Audit Committee, Internal Audit also performed a follow-up audit on the day ahead forecast and procurement processes.

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

Enovos executive management established a dedicated Group Risk Policy and assigned specific responsibilities and resources. The CFO (Chief Financial Officer) acts as CRO (Chief Risk Officer); he reports to the Executive Committee and has the ultimate responsibility for effective risk management operations. Under his lead, the Group Risk Manager coordinates the implementation of the policy, the methodology and tools as well as the meetings of the local risk committees.

In the Enterprise Risk Management (ERM) concept of Enovos Group, risk management deals with operational risks, specific energy market risks, security and environmental subjects as well as regulatory and strategic risks. An appropriate risk management 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 2015, the Group Risk Policy including the risk management charter, framework and process have been updated and published on the Intranet readily accessible for each employee. The policy defines the set-up of different risk committees for the group's core companies in Luxembourg and Germany. 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 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 of risk that the group is prepared to take in order to execute its strategy, achieve its objectives and business plans, and meet 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, renewable energy and energy solutions and services.

The EAGLE tool was introduced in order to report the group's risks in a common database using a harmonised risk assessment, allocation and treatment mechanism. As of the end of 2015, about 250 risks were identified and reported in the risk management system. Further, EAGLE allows to:

- Link each risk to one of the main group objectives
- Define the impacts in financial, operational,

reputational, compliance and HSE terms

- Follow-up on the treatment and mitigation of the different risks by defining an action owner and a status per mitigation.

In 2015 the Group Risk Management (GRM) has reached several key targets:

- Development of a tailored risk management policy for Enovos Renewables
- Definition and automation of new reports in EAGLE
- Quantification of the risk appetite
- Issuing of different articles over the intranet, each dealing with a specific point of the Risk Management process.

All these achievements involving the stakeholders of the risk management process have increased the risk awareness throughout the group and have contributed to develop the risk culture.

Specifically in the area of the grid companies, the risk management culture has further been formalised with the introduction of a 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 is positioned under the direct responsibility of the CEO 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 Energy Management and Trading departments; (EMIR, REMIT, etc.)
- 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.



Enovos Luxembourg S.A.

Corporate Governance Bodies

General Meeting of Shareholders

The shareholders of Enovos Luxembourg S.A. met once in 2015.

12th May 2015: 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 had 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 2014 and passed the following resolutions, all by unanimous votes:

- Designation of Mr Stephan Fedrigo as permanent representative of the Director "Axa Redilion ManagementCo S.C.A."
- Appointment of Mr Peter Frankenberg as Director until the next AGM to be held in 2016
- Approval of the Annual Accounts 2014 and of their Notes
- Approval of the decision to pay no dividend in respect to the financial year 2014
- Unrestricted discharge to the Directors on behalf of their office during the financial year 2014.

As of 31st December 2015, 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 6 times in 2015: on 12th January, 13th March, 24th April, 26th June, 25th September, 11th December.
All meetings were chaired by Mr Marco HOFFMANN.

The average physical attendance of Board members at all meetings reached 91% (proxies not accounted for). 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.

The Board Resolution concerning in particular the appropriation of net profit 2014 (dividends) was taken by majority vote with abstentions.

As of 31st December 2015, the Board of Directors was composed as follows:

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

Stephan FEDRIGO ¹⁾	Vice-Chairman
Pol-Henry BONTE	Director
Fernand FELZINGER ²⁾	Director

1) Mr Stephan FEDRIGO is the permanent representative of the director "Azimuth Solutions GmbH" since 1st January 2016.

2) Mr Fernand FELZINGER resigned from office on 31st December 2015 and has been replaced by Dr Werner BRINKER co-opted as of 1st January 2016.

Danielle Castagna	Director
Luc Diswiscour	Director
Henri Haine	Director
François Knaff	Director
Guy Lentz	Director
Nicolas Pundel	Director
Marc Reiffers	Director
Guy Rosseljong	Director
Patrick Thein	Director
Françoise Thoma	Director
Dr Geneviève Schlink	Director
Johan Van Bragt	Director

1) Stephan FEDRIGO is the permanent representative of the director "Azimuth Solutions GmbH" since 1st January 2016.

Directors proposed to election by the shareholders of Enovos International S.A. other than those shareholders owning 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:

Marc REIFFERS ¹⁾	CEO & Director
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1) Mr Marc REIFFERS took office from Mr Jean LUCIUS on 1st August 2015

• Directors representing the employees:

Luc DISWISCOUR	Director
Patrick THEIN ²⁾	Director

2) Mr Patrick THEIN took office from Mr Pierre KREMER on 25th June 2015

Following the change in the shareholder structure of Enovos International S.A., an extraordinary general meeting of the shareholders took place on March 9th 2016. The shareholders agreed on changes of the articles of association (see legal publication or ask for details at Enovos' headquarters) and in shareholding. As of that date, the number of Directors in the Board of Enovos Luxembourg increased from 15 to 16 members, resulting in the following composition:

Marco Hoffmann	Chairman
Stephan Fedrigo ¹⁾	Vice-Chairman
Werner Brinker	Director
Pol-Henry Bonte	Director

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 Mr Marc REIFFERS were appointed Executive Directors.

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

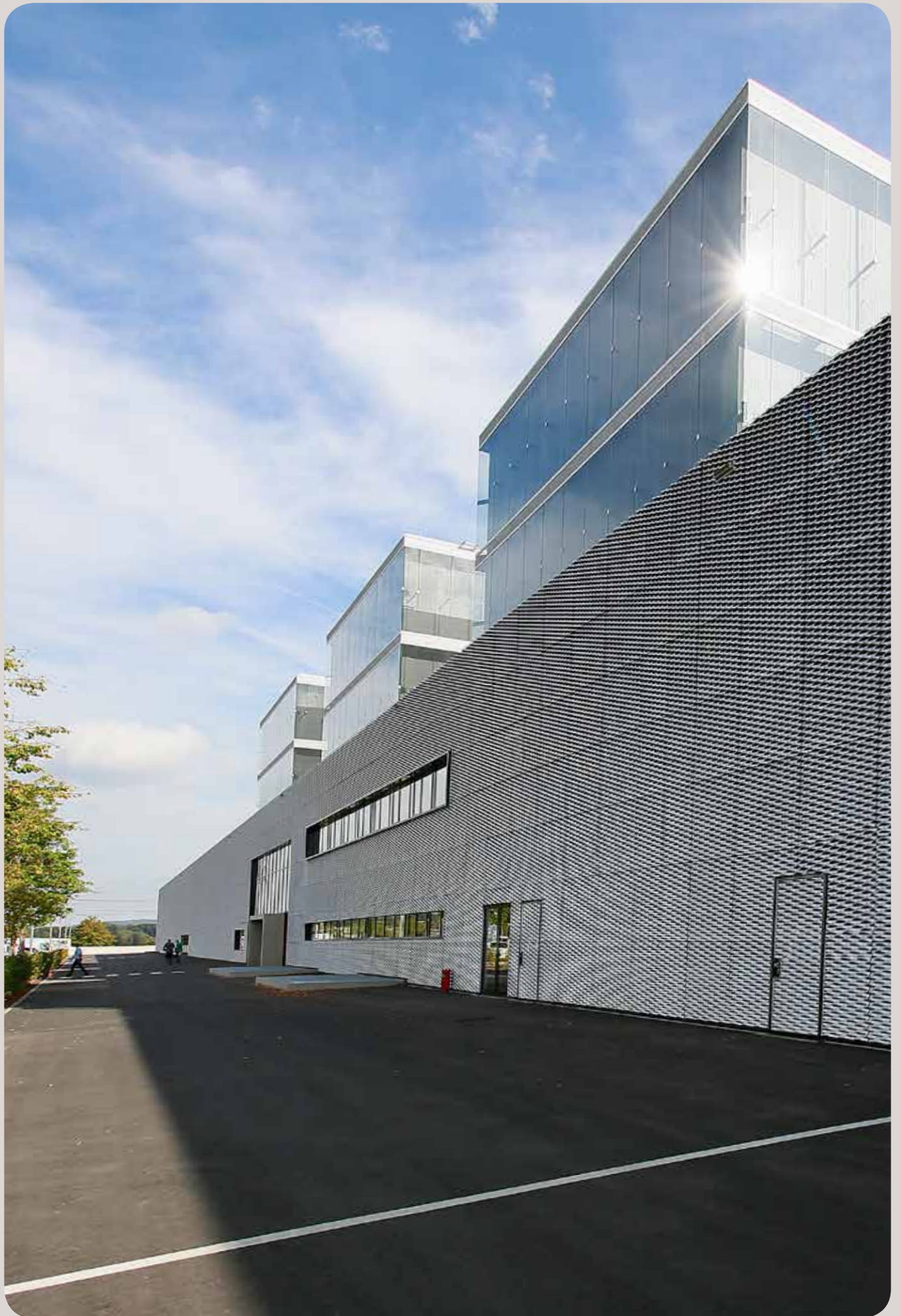
Marco Hoffmann was born on 11th January 1966 in Luxembourg.

He passed his primary and high school in Luxembourg and graduated in electrotechnical engineering from the University of Kaiserslautern (Germany). 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 2nd, 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.

Biographical Note on Mr Marc REIFFERS: see page 10 under “Executive Board”.



Creos Luxembourg S.A.

Corporate Governance Bodies

General Meeting of Shareholders

The shareholders of Creos Luxembourg S.A. met once in 2015.

12th May 2015: 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. 26 shareholders holding 9,836,618 shares (99.0 %) were present or validly represented.

In respect of Article 24.7 of the articles of association, the Chairman informed the shareholders on two potential conflicts of interest that were notified by one Board member over the course of the year 2014.

In accordance with Article 21.5 of the articles of association and Articles 426-4 and 426-7 of the Labour Code, the shareholders acknowledged the designation of one director representing the employees of the company; the term of office of this director will be the annual general meeting of shareholders stating on the accounts for the financial year ending on 31st December 2019.

The shareholders acknowledged the Management Report and the Independent Statutory Auditor's Report regarding the financial year 2014 and passed the following resolutions, all by unanimous votes:

- Approval of the Annual Accounts 2014 and of their Notes;
- Appropriation of the Net Profit 2014: 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 2014.

Furthermore, the shareholders appointed PricewaterhouseCoopers (PwC) as Statutory Auditor for the financial years 2015 and 2016.

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

As of 31st December 2015, 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) ¹ , 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 %

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

Bertrange, Bettendorf, Betzdorf, Bissen, Biver, Bous, Colmar-Berg, Contern, Dalheim, Diekirch, Erpeldange-sur-Sûre, 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 2015: on 12th March, 23rd April, 25th June, 24th September and 10th December. 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 2015, 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 78 % (proxies not accounted for). 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.

There was no conflict of interest stated by any Director in accordance with Article 19.5 of the articles

of association in 2015.

As of 31st December 2015, 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 WALENTINY	Director

- 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 ¹⁾	Vice-Chairman
Alain NICOLAI	Director
Michael REUTHER ²⁾	Director

1) Mr Benoît GAILLOCHET is the permanent representative of the Director AXA Redilion ManagementCo S.C.A.

2) Mr Michael REUTHER was the permanent representative of the Director AXA Redilion ManagementCo S.C.A. until 10th December 2015. At its meeting on that same date, the Board of Directors approved the proposal made by AXA Redilion ManagementCo S.C.A. and co-opted Mr Michael REUTHER as Director of the company (personal mandate).

- 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
Eric BOSMAN ¹⁾	Director

1) At its meeting on 10th December 2015, the Board of Directors

approved the co-optation of Mr Eric BOSMAN as Director of the company, in replacement of Mr Mark LAUWERS, for the remaining term of office.

- 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

- 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:

Claude SEYWERT ¹⁾	CEO & Director
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1) At its meeting on 25th June 2015, the Board of Directors approved the co-optation of Mr Claude SEYWERT as Director, as of 1st August 2015, in replacement of Mr Romain BECKER, for the remaining term of office, i.e. until the general meeting resolving on the accounts of the company for the financial year ending 31st December 2019. Moreover, Mr Claude SEYWERT was appointed as Executive Director and Chief Executive Officer, as of 1st August 2015.

- Directors representing the employees:

Pierre KREMER ¹⁾	Director
Claude REDER	Director
Patrick REDER ²⁾	Director

1) Mr Pierre KREMER took offices from Mr André GILBERTZ as of 25th June 2015.

2) Mr Patrick REDER took offices from Mr Patrick COLLING as of 12th March 2015.

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 (until 31st July 2015) respectively Mr Claude SEYWERT (as of 1st August 2015) were appointed Executive Directors.

The Executive Directors are supported by the Creos

Management Committee (CMC), composed of the CEO and 6 senior executive Head of Departments of Creos Luxembourg S.A. The CMC meets on a weekly basis to coordinate the daily management of the company and convenient internal information.

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

Mario GROTZ was born on 5th October 1969 in Luxembourg.

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

Biographical Note on Mr Romain BECKER: see page 10 under “Executive Board”

Biographical Note on Mr Claude SEYWERT: see page 11 under “Executive Board”

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