

In 2012, the main subjects addressed by the Committee were as follows:

- review of the Company's annual and half-yearly consolidated financial statements and consolidated quarterly earnings;
- review of projections for the short and medium terms;
- analysis of financing transactions, the financial position (cash, debt and commitments) and cash flows;
- liquidity management and, specifically, optimisation of the cost of carry;
- review of the carrying amount of investments, including the recognition of an impairment losses on GDF SUEZ and Iberdrola, as well as the specific situation of Lafarge;
- review of the risks and assessment of the effectiveness of the internal control and risk management systems, specifically the revision of risk ranking and mapping;
- emergency plan in the event of a euro crisis, both within GBL and its wholly-owned subsidiaries and review of the emergency plan at the level of the group's investments;
- review of press releases, notably concerning the group's financial statements and earnings;
- review of texts to be published in the annual report concerning:
  - financial information;
  - comments on internal control and risk management;
- review and follow-up of the independence of the Statutory Auditor and audit of services provided by this latter, other than the tasks assigned by law (in particular the statutory auditing of the financial statements);
- review of the accounting of the Suez Environnement Company exchangeable bond;
- analysis of general and administrative expenses;
- placement of a share liquidity agreement;
- follow-up of the main current legal actions;
- review of the market and financial disclosure.

## 2.4. Assessment of the functioning and performance of the Board of Directors' Committees

According to the changes in and effectiveness of their work, the different Committees may, at any time, propose changes to their respective rules of procedure. The Charter therefore does not establish a regular procedure for review of the Committees' rules of procedure. The functioning and performance of each Committee is measured and analysed as part of the triennial assessment of the performance of the Board of Directors. Part of the individual assessment questionnaire is reserved for this purpose to members of the respective Committees.

## 3. Remuneration Report

### 3.1. Procedure for establishing remuneration policy and setting remuneration for members of the Board of Directors

The procedure for establishing remuneration policy and setting remuneration level for members of the Board is determined by the Board of Directors on the basis of proposals from the Nomination and Remuneration Committee.

The fees paid to non-executive Directors are set by the Board of Directors on a proposal from the Nomination and Remuneration Committee, within a ceiling submitted to the General Meeting for approval. These fees, which had not been reviewed since 2001, were benchmarked, revised in 2011 and adapted to the new governance in 2012.

The nature and the amount of the remunerations, as well as possible severance payments, for members of the Executive Management are decided by the Board of Directors on a proposal from the Nomination and Remuneration Committee, which is assisted in its work by an outside consultant.

Performance-based incentive plans are determined by the Board of Directors on a proposal from the Nomination and Remuneration Committee.

These plans must first be approved by the shareholders. Such approval covers the plan itself as well as its overall maximum value, but not the individual grants under the plan.

### 3.2. Remuneration policy

#### 3.2.1. Non-executive Directors

The remuneration policy for non-executive Directors was revised in 2011 to reflect market conditions and new governance tendencies that aim to tie remuneration to attendance. In this spirit, the fixed remuneration was reduced and attendance fees were introduced. Non-executive Directors do not receive any variable remuneration.

#### 3.2.2. Executive Management

##### 3.2.2. a. Fixed remuneration

Executive Management's fixed remuneration was revised in 2010 for a period of three years, i.e. 2010-2012. It takes into account the office held and market conditions adjusted in terms of the Company's long-term performance. The basic reference is the market median, the upper bracket applying only to the extent that GBL's long-term performance falls within the top quartile of BEL 20 and CAC 40 companies.

Concerning the CEO, as a result of the separation of the offices of CEO and Chairman of the Board on 1 January 2012, the CEO's fixed remuneration was reduced in the amount equivalent to the remuneration paid to the new non-executive Chairman of the Board of Directors. In 2013, the CEO's fixed remuneration was revised and was increased on 1 January 2013 to EUR 3 million.

The fixed net remuneration of EUR 800,000 paid to Ian Gallienne and Gérard Lamarche, who replaced Gérald Frère and Thierry de Rudder as Managing Directors effective 1 January 2012, was in line with their predecessors' remuneration. It is understood that benefits or advantages resulting from their past career and offices are not taken into account in calculating their present or future remuneration. In other words, their above-mentioned overall remuneration will not include the benefits or advantages granted to them under agreements concluded before they joined GBL's Executive Management, in the context of the roles they held at the time.

In 2013, their remuneration was revised, as was the CEO's, according to the same timetable. In accordance with GBL's procedures, a market survey was conducted by Towers Watson and PWC, which takes the market median as the basic reference. Based on the results of this benchmarking, their fixed net remuneration has been inflated, at a rate of 2.5%, to EUR 820,000 for the 2013 to 2015 period.

### 3.2.2. b. Variable remuneration

The remuneration policy for the Executive Management does not include any short-term variable remuneration in cash. This policy is inspired by the characteristics of the business of a holding company, whose performance is difficult to evaluate over the short term. Executive Management does not receive any long-term variable remuneration in cash either.

### 3.2.2. c. 2012 profit-sharing plan

The Company implements a long-term incentive plan linked to its performance. In 2012, this plan took again the form of an annual stock option plan. In this context, the Board of Directors submits yearly to the General Meeting, for its approval, the maximum value of the shares underlying the options to be awarded. This value is determined by the Board of Directors on a proposal from the Nomination and Remuneration Committee, which makes an annual recommendation to the Board for the value of the coefficient to be applied to the amount of options granted for the year. This coefficient, which can range from 0 to 125%, includes the criterion of the long-term performance of GBL's share price compared to the BEL 20 and CAC 40 as well as a criterion of qualitative assessment.

These stock options are issued in accordance with the provisions of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan and setting out various clauses, as amended by the programme law of 24 December 2002. They are options on existing shares and are issued for ten years.

The exercise price for options is determined, in accordance with the law of 26 March 1999, as being the smaller of the following two values:

- the share price on the day before the offer of options;
- the average of the 30 days preceding the offer of options.

The options are definitively acquired after a three-year period, at the rate of one third per year, except in the case of a change of controlling ownership, in which event they are immediately vested.

However, pursuant to the law of 6 April 2010, options granted to Executive Management after 31 December 2010 may not be exercised until at least three years after being granted.

Since 2007, the Company has issued six instalments as part of this plan, the characteristics of which are summarised in the table below.

### 3.2.2. d. 2013 profit-sharing plan

In 2013, the Board has approved a new long-term profit-sharing plan for the Executive Management and staff, subject to the approval of the General Meeting referred to below. This new plan is a variant of the stock-option plan on GBL shares used until now and summarised above. It will replace this as from the awards to be made in 2013.

The beneficiaries of the new plan will receive options on existing shares in a GBL subsidiary. This subsidiary's assets will include GBL shares that the subsidiary will acquire through equity and bank financing, guaranteed by GBL at the market rate. The options will be valid for ten years. Three years after their award, the beneficiary will be able to exercise or sale its options in the windows provided by the plan.

The options will be issued in line with the requirements of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan for that imposes various requirements, as amended by the law-programme of 24 December 2002.

The number of options awarded will be determined based on the same performance criteria as indicated above for the 2012 stock-option plan. The value of the coefficient may now vary between 0% and 160% for the Executive Management, in order to reflect, aside from its characteristic turnover, a better alignment between the latter's interests and those of shareholders.

The principle of this new plan and the maximum value of the shares underlying the options to be awarded in 2013, in other words EUR 13.5 million, are subject to the approval of the Ordinary General Meeting of 23 April 2013.

Year of award	2007	2008	2009	2010	2011	2012
Exercise period <sup>(1)</sup>	from 1/01/2011 to 24/05/2017	from 1/01/2012 to 9/04/2018	from 1/01/2013 to 16/04/2019	from 1/01/2014 to 15/04/2020	from 1/01/2015 to 14/04/2021	<b>from 1/01/2016 to 26/04/2022</b>
Extended (partially) <sup>(2)</sup>	until 24/05/2022	until 9/04/2023	-	-	-	-
Exercise price	EUR 91.90	EUR 77.40	EUR 51.95	EUR 65.82	EUR 65.04	<b>EUR 50.68</b>

(1) Commitments made by beneficiaries in the framework of the law of 26 March 1999

(2) In the framework of the Economic Recovery Act of 27 March 2009

### 3.3. Fees and other gross remuneration received by non-executive Directors for financial year 2012

In EUR	Member of the Board	Member of Board Committees	Sub-total	Other <sup>(1)</sup>	Total
Antoinette d'Aspremont Lynden	40,000	30,750	70,750	-	<b>70,750</b>
Jean-Louis Beffa	34,000	18,750	52,750	-	<b>52,750</b>
Georges Chodron de Courcel	40,000	-	40,000	-	<b>40,000</b>
Victor Delloye	40,000	-	40,000	-	<b>40,000</b>
Paul Desmarais <sup>(2)</sup>	50,000	15,000	65,000	-	<b>65,000</b>
Paul Desmarais, jr <sup>(2)</sup>	65,000	30,000	95,000	163,096	<b>258,096</b>
Gérald Frère	240,000	30,000	270,000	88,300	<b>358,300</b>
Maurice Lippens	40,000	31,000	71,000	-	<b>71,000</b>
Michel Plessis-Bélair	40,000	48,500	88,500	-	<b>88,500</b>
Thierry de Rudder <sup>(2)</sup>	65,000	45,000	110,000	167,070	<b>277,070</b>
Gilles Samyn	40,000	73,000	113,000	-	<b>113,000</b>
Amaury de Seze	40,000	30,000	70,000	74,492	<b>144,492</b>
Jean Stéphane	37,000	18,500	55,500	-	<b>55,500</b>
Gunter Thielen	40,000	15,500	55,500	-	<b>55,500</b>
Arnaud Vial	40,000	24,500	64,500	-	<b>64,500</b>
<b>Total</b>	<b>851,000</b>	<b>410,500</b>	<b>1,261,500</b>	<b>492,958</b>	<b>1,754,458</b>

(1) Remuneration for offices held in companies in which the group has shareholdings

(2) Of which EUR 25,000 as Board Vice-Chairman

The non-executive Directors received no variable remuneration.

The General Meeting of 24 April 2012 set the ceiling for fees paid to non-executive Directors for their service on the Board of Directors and Committees at EUR 1,400,000.

That amount of EUR 1,400,000 is allocated as follows as from 1 January 2012:

- an unchanged annual fixed amount of EUR 25,000 for members of the Board of Directors<sup>(1)</sup>;
- an annual fixed amount of EUR 200,000 for the Chairmanship of the Board of Directors;
- an unchanged annual fixed amount of EUR 15,000 for members of the Standing Committee<sup>(2)</sup>;
- an unchanged annual fixed amount of EUR 12,500 for members of the other Committees<sup>(3)</sup>;
- unchanged Director's fees of EUR 3,000 per Board or Committee meeting.

There is no service contract between non-executive members of the Board of Directors and the Company or any of its subsidiaries providing for the grant of advantages upon conclusion of their mandate.

The members of the Executive Management receive no remuneration for their Directorship as such.

(1) This amount is doubled for the Vice-Chairmen of the Board of Directors

(2) This amount is doubled for the Committee's Chairman

(3) This amount is doubled for the other Committees' Chairmen

### 3.4. Remuneration of the Executive Management

Fixed remuneration for the Executive Management, which had not been revised since 2006, was adjusted in 2010 to reflect market conditions. Given the difficult economic and financial climate, the benchmarking exercise was limited to a general review of the changes in the remuneration of executives of BEL 20 and CAC 40 companies over the four years preceding 2010. This remuneration will be reviewed in 2013.

The amount of remuneration collected directly and indirectly by members of the Executive Management includes remuneration for offices held in companies in which they represent GBL.

#### 3.4.1. Gross remuneration of the CEO for financial year 2012

CEO	
Status	Self-employed
Fixed remuneration (gross)	EUR 2,696,200
Variable remuneration (short term)	-
Pension	-
Other benefits	EUR 12,767
Benefits in kind	EUR 12,263
Insurance	EUR 504

Effective 1 January 2012, the CEO's remuneration was reduced by EUR 200,000, the equivalent of the remuneration paid to the new Chairman of the Board of Directors.

The CEO receives no variable long-term or short-term cash remuneration.

### 3.4.2. Total gross remuneration of the other members of the Executive Management for financial year 2012

Status	Self-employed
	<b>Cumulative amounts for both members</b>
Fixed remuneration (gross)	EUR 3,178,533
Variable remuneration (short term)	-
Pension	EUR 396,159 Defined benefits pension plan financed by GBL
Other benefits	EUR 143,856
Benefits in kind	EUR 20,001
Insurance	EUR 123,855

The other members of Executive Management do not receive any variable short-term or long-term cash remuneration.

Ian Gallienne and Gérard Lamarche also benefit from a defined-contribution pension plan into which 21% of their net remuneration is paid on a yearly basis.

### 3.4.3. Shares granted to the Executive Management

No shares were granted to the Executive Management during financial year 2012.

### 3.4.4. Stock options granted to the Executive Management

#### 3.4.4. a. Stock options granted during financial year 2012

Decisions	Board of Directors of 6 March 2012 Ordinary General Meeting of 24 April 2012	
Characteristics of the options	See point 3.2.	
Exercise price	EUR 50.68	
Vesting date	27 April 2015	
Maturity date	26 April 2022	
Exercise period	Any time from 1 January 2016 until 26 April 2022	
Value of the options granted (IFRS)	Albert Frère	-
	Ian Gallienne	EUR 215,244
	Gérard Lamarche	EUR 215,244
Number of options granted	Albert Frère	-
	Ian Gallienne	31,570
	Gérard Lamarche	31,570

### 3.4.4. b. Number and key characteristics of the stock options exercised or expired during financial year 2012

Name of Executive Manager	Albert Frère – Gérard Lamarche – Ian Gallienne
Type of plan	Plan under the law of 26 March 1999
Number of options exercised	-
Exercise price	-
Year options exercised were granted	-
Number of expired options	-
Year options expired were granted	-

### 3.4.5. Severance benefits for Ian Gallienne and Gérard Lamarche

Gérard Lamarche and Ian Gallienne may claim, in the event their mandate is revoked or they are removed from office for any reason other than serious grounds, compensation equivalent to eighteen months of fixed remuneration. The amount of this compensation was set on the recommendation of the Nomination and Remuneration Committee.

## 4. Auditing of financial statements

The Ordinary General Meeting on 13 April 2010 appointed:

Deloitte Reviseurs d'Entreprises  
SC s.f.d. SCRL  
Berkenlaan 8b  
B – 1831 Diegem (Belgium)

represented by Michel Denayer, as Statutory Auditor for a period of three years and set its fees for this audit assignment at EUR 70,000 non-indexed and exclusive of VAT.

In the exercise of his duties, the Statutory Auditor maintains close relations with the Executive Management and has free access to the Board of Directors via the Audit Committee. Furthermore, he may address directly and with no restrictions the Chairman of the Audit Committee and the Chairman of the Board of Directors.

At the group's level (GBL and its wholly-owned subsidiaries, identified under the heading "Holding" Note 1, p 64), global fees paid to Deloitte for its audit of the 2012 accounts totalled EUR 100,750. Details regarding the fees paid to Deloitte may be found in Note 28, page 97.

The Statutory Auditor's term of office will end at the conclusion of the 23 April 2013 Ordinary General Meeting. It is proposed that the term be renewed for three years and that the Statutory Auditor's fees be set at EUR 75,000 annually, non-indexed and exclusive of VAT. If the General Meeting approves this proposal, Michel Denayer will represent the Statutory Auditor.