



# Eneco, at the heart of society

Annual Report 2012 Eneco Holding N.V.



## Report of the Supervisory Board

### We hereby present the Annual Report and Annual Financial Statements over the financial year 2012 as prepared by the Board of Management.

The year 2012 was another turbulent year. The crisis on the financial markets and the economic market developments also affected Eneco in 2012, as described in the report of the Board of Management. Nevertheless, the company achieved a satisfactory result. This also enabled the company to maintain its A-/stable outlook credit rating.

The Supervisory Board is proud of Eneco's achievements in 2012. The company is in a good position to implement the anticipated future transformation. However, it is also well aware that significant steps must be taken to realise this challenge.

On 18 April 2012, the company said farewell to Mr Klaas Westdijk, Chairman of the Supervisory Board since July 2000. We thank Mr Westdijk for his many efforts in various areas in the interest of the company during his many years of service.

As of 1 December 2012, Mr Marc van der Linden was appointed member of the Board of Management. He succeeds Mr Douwe Kras who died on 7 December 2011 due to an illness. It is a credit to our management development programme that we have again been able to appoint someone from within the organisation. We wish Mr Van der Linden success in his new position.

Throughout the year 2012, Mr Jurriaan Ruys held the position of interim-member of the Board of Management. The Supervisory Board also thanks him for his contribution.

#### Agenda items

Again in 2012, Eneco concentrated on the further development and implementation of its sustainability strategy. In connection with this, the Supervisory Board held several discussions on intended major investments, such as investments relating to offshore wind energy at sea off the coast of the Netherlands and Great Britain, as well as the continuation of the heating supply in Rotterdam and the corresponding long-term purchase contracts. Final approval decisions with respect to these projects were taken in December. A number of investments relating to the expansion of existing wind farms in Scotland were also approved as well as investment proposals for solar energy projects in Belgium and France. The details of these projects are included in the report of the Board of Management.

The Supervisory Board also discussed the progress of the organisation's strategic and operational focal points. Presentations concerning these subjects were held a number of times during the Supervisory Board meetings. During a theme meeting in November, we discussed the implementation of the

strategic framework, including the strategy relating to Sustainable, Decentralised and Together (SDT).

In November 2012, the Supervisory Board approved the Euro Commercial Paper (ECP) programme to the amount of €750 million. A similar programme was started in 2009. The new programme is an update of the existing programme, in which a number of facts have been updated. The decision was also taken to request a STEP label, making the Notes ECB eligible and allowing the buyer of the Notes to use them as collateral at ECB. The STEP label is applicable in approximately 60% of the corporate ECP programmes and is expected to become important for liquidity and pricing after implementation of Basel III and Solvency II regulations. Eneco uses the funds obtained from issuing the Notes for general business purposes, for both the grid administrator and the energy company. No collateral has been provided in connection with this ECP programme.

Both the Audit Committee and the Supervisory Board monitor the developments in the financial markets closely. In this context, the Treasury Statute was updated and the Treasury Plan 2012 was approved. The financial statements over 2011, the management letter 2011, the audit report 2011 and the audit plan 2012 were discussed in the presence of Deloitte Accountants.

Periodic reports kept the board informed about major projects, the financial position of the organisation and the development of the customer base. Both the Audit Committee and the entire board have discussed the quarterly financial reports and several aspects of the business operations were discussed in greater detail. In addition, periodic reports were provided through the Audit Committee, regarding the status and development of risks relating to the cross-border leases and activities aimed at the settlement of transactions. A number of Post Investment reports about previous large investments and acquisitions were also discussed. The lessons learned from this are of particular importance for the organisation.

During the General Shareholders' Meeting in April, the financial statements for 2011 were adopted. Dividend was paid out in April.

The safety policy is a fixed item on the board's agenda. Accidents resulting in absence from work are always discussed. Cases in the area of safety were also discussed.

The Supervisory Board regularly discusses the strategy and the associated risks identified by the company. The Audit Committee

reviews the results of the appraisal by the Board of Management of the setup and functioning of the internal risk management and control system and any significant changes in the system.

We have taken note of the advice issued by the Central Works Council during each meeting.

The Supreme Court has posed prejudicial questions to the European Court in Luxembourg in connection with the appeal procedure started by the State of the Netherlands in 2010 against the group prohibition in the Independent Network Management Act.

The periodic consultations with shareholding municipalities Rotterdam, Dordrecht and The Hague and the Shareholders Committee were continued in 2012. These consultations were constructive and contributed to a good mutual understanding.

### Composition of committees

The Supervisory Board has seven members. In 2012, there were three committees:

- a) a Selection and Appointment Committee: Edo van den Assem (chairman), Mirjam Sijmons, Kees van Dongen and Klaas de Vries;
- b) a Remuneration Committee: Kees van Dongen (chairman), Mirjam Sijmons and Edo van den Assem;
- c) an Audit Committee: John Lintjer (chairman), Joop Drechsel and Henk Dijkgraaf.

### Appointments

At the Supervisory Board's recommendation, Mr Edo van den Assem was appointed as a member of the Supervisory Board for a period of four years at the General Shareholders' Meeting on 18 April. He succeeded Mr Klaas Westdijk as chairman of the Supervisory Board.

At the Supervisory Board's recommendation, Mr Joop Drechsel was reappointed as a member of the Supervisory Board for a period of two years on 18 April 2012.

### Remuneration of the Supervisory Board

The proposal for periodic indexation of the remuneration of the Supervisory Board that is to be submitted for approval by the shareholders' meeting every three years, was approved by the General Meeting of Shareholders on 18 April 2012.

### Meetings and other activities

In 2012, there were seven regular board meetings, one of which partially without the presence of the Board of Management. Topics that were discussed during this meeting include the report of the Remuneration Committee.

The General Shareholders' Meetings, which were held in April and in September, were attended by a majority of the members of the Supervisory Board. The consultation meetings of the Central Works Council were attended by two members of the Supervisory Board in rotation. The Audit Committee convened six times and the Remuneration Committee convened once. The Appointment and Selection Committee convened twice and conducted several conference calls in connection with the recruitment, selection and appointment of the new member of the Board of Management.

### Corporate Governance

Eneco complies with the rules for good corporate governance as laid down in the Dutch Corporate Governance Code. As Eneco Holding N.V. is a dual-board company, but is not listed on the stock exchange, some stipulations are obviously not applicable. In cases where no specific decree applies, the relevant best practice criteria are implemented.

There is also a difference with regard to fully privately-owned organisations, since Eneco's activities are partially regulated and partially non-regulated.

As far as the regulated activities are concerned, Eneco complies with the relevant stipulations in legislation and regulations.

## ATTENDANCE OVERVIEW

	20-01	12-03	18-04	22-06	07-09	09-11	14-12
E.H.M. van den Assem	* 1	* 1	X	X	X	X	X
C.P.G. van Dongen	X	X	X	-	X	X	X
H.G. Dijkgraaf	X	X	X	X	-	X	X
J.G. Drechsel	X	-	X	X	X	X	X
J. Lintjer	X	X	X	X	X	X	X
M. Sijmons	X	X	X	X	X	X	X
K.G. de Vries	X	X	X	X	X	X	X
N.J. Westdijk	X	X	X	*2	*2	*2	*2

<sup>1</sup> Mr Van den Assem joined and was appointed chairman of the Supervisory Board per 18 April 2012

<sup>2</sup> Mr Westdijk stepped down per 18 April 2012.

Eneco's company strategy is such that the network manager can carry out its legal tasks in total freedom. This is supervised by the network manager's own Supervisory Board, which mainly consists of independent third parties.

Eneco's web site includes a page regarding corporate governance (<http://www.eneco.com/organisation/management/Pages/corporate-governance.aspx>) It also includes a page relating to investor relations.

The remuneration report over 2012 is available on Eneco's website. In addition, reference is made to the note to the financial statement (page 87) that includes a specification of the remuneration of members of the Board of Management and the Supervisory Board.

### **Recommendation**

Eneco concluded the year 2012 with a satisfactory result. The Supervisory Board is pleased with this result. We thank the management and all employees for their dedication and efforts. Taking into account the current market conditions, the board looks towards the future of the company with confidence.

We recommend that the shareholders adopt the 2012 Financial Statements.

### **On behalf of the Eneco Holding N.V. Supervisory Board**

E.H.M. van den Assem

**Rotterdam, 1 March 2013**



## Personal information Board of Management



### J.F. (Jeroen) De Haas (1959)

#### Chairman of the Board of Management Eneco Holding N.V.

Jeroen de Haas was appointed chairman of the Board of Management on 1 January 2007. He has been a member of the Board of Management since July 2000 and held the position of vice-chairman since 2006. Since 1996, he was General Manager of the Enercom energy company cooperative, six members of which merged with Eneco in July 2000. Prior to this Mr De Haas was General Manager of RCCIVEV, a unit of Roccade. He studied Dutch Law in Utrecht.

#### Additional functions

- Member of the Supervisory Board of Movares Group B.V.
- Member of the Supervisory Council of Rotterdam University
- Member of the Advisory Board Port of Amsterdam
- Chairman Employers Association WENB (until 1 April 2013)
- Member of the Advisory Board Executive MBA in European Utility Management by Jacobs University in Bremen (Germany)
- Member of the Fundraising Board Utrecht University
- Clean Energy Ambassador of WWF



### A.J. (Guido) Dubbeld (1971)

#### Member of the Board of Management Eneco Holding N.V.

Guido Dubbeld has been appointed member of the Board of Management as Chief Financial Officer of Eneco Holding N.V. as of 1 April 2011. He joined Eneco in 2002 and held the positions of Risk Manager and Manager Finance & Control. As from 2007, he has been working as the Director of Eneco Energy Trade.

Before Guido joined Eneco, he worked for several financial institutions, including MeesPierson, HypoVereinsbank (Munich) and UBS AG (Zurich). He holds a degree in Economics from Erasmus University Rotterdam with a specialisation in International Finance.

#### Additional function

- Member of the Supervisory Board Stedin Netbeheer B.V.



### C.J. (Kees-Jan) Rameau (1962)

#### Member of the Board of Management Eneco Holding N.V.

Kees-Jan Rameau was appointed a member of the Board of Management of Eneco on 1 April 2008. He started his career at Eneco as Strategy Director at the beginning of 2004. At the beginning of 2007, he was appointed Business to Business Director.

Before Rameau joined Eneco, he worked at the Boston Consulting Group, TPG (now TNT) and McKinsey & Company, where he was active in the fields of strategy, finance and operations. He studied Applied Physics at Delft University of Technology and holds an MBA from INSEAD, Fontainebleau.

#### Additional functions

- Member of the Advisory Board Agro Energy
- Member of the Advisory Board Energy MBA Nyenrode
- Member of the Board of Management Koninklijke Vereniging van Gasfabrikanten in Nederland (KVGN)



### (Marc) van der Linden, 1972

#### Member of the Board of Management Eneco Holding N.V.

With effect from 1 December 2012, Marc van der Linden has been appointed member of the Board of Management of Eneco Holding N.V. He joined Eneco in 1997 and has held several positions prior to his appointment, including those of business analyst, product manager at Eneco Warmte(Heating), director of Eneco Energy Projects, director of Eneco Installatiebedrijven (Installation Companies) and director of the Business Unit Wind. Prior to joining Eneco he worked at Van Gansewinkel Groep. He holds a degree in Economics from Tilburg University.