



Eneco, at the heart of society

Annual Report 2012 Eneco Holding N.V.



Remuneration

Board of Management remuneration policy

The General Meeting of Shareholders of Eneco Holding adopted the Board of Management remuneration policy on 20 May 2005. The primary terms of employment of the Board of Management are determined on the basis of this policy. The secondary terms of employment are subject to a separate regulation: Algemene Regeling Arbeidsvoorwaarden Raad van Bestuur (General Regulation Terms of Employment Board of Management).

Starting point

The desired market position for the terms of employment of the chairman and the members of the Board of Management is the median level in the general market for board members. Another general starting point is that the remuneration policy must enable Eneco to recruit and retain qualified management for the organisation. In other words, the remuneration should be competitive and comparable to the remuneration for top management in the business market. Two policy principles are leading in this respect: the market principle and the moderation principle.

Market principle

Eneco should be regarded as a normal, commercial and market-oriented company.

Moderation principle

In view of the history of Eneco and the fact that 100% of the shares of Eneco are held by public shareholders (municipalities), the Supervisory Board applies a moderate remuneration policy. For this reason, the benchmark with companies of similar size and complexity in the private sector is not fully applied to the current remuneration policy for Eneco board members. Each year, the Supervisory Board, having heard the position of the General Meeting of Shareholders, determines to what extent this moderation principle can be applied, without affecting the labour market position of Eneco. In 2012, the Supervisory Board did not see any reasons to make major changes to the current implementation of this moderation principle.

Socially relevant results determine remuneration level

In 2012 as well, the remuneration of the members of the Board of Management was based on performance criteria relating to socially relevant results. The three main criteria for variable remuneration were:

- Financial performance, including EBIT, Credit Rating ratios and cost reduction
- Safety; LTIR
- Implementation of the sustainability strategy, including alignment of customers and employees in terms of customer satisfaction and employee satisfaction, sustainable purchasing and sustainable investments

Each year, Eneco publishes a remuneration report on its website describing the details of the remuneration of the members of the Board of Management. This report (in Dutch) is accessible via this link: http://corporatenl.eneco.nl/Organisatie/Bestuur/Pages/Raad_van_Bestuur.aspx.