



Bourse de
Luxembourg

2010 Report

Application of the Ten Principles of
Corporate Governance

Report on the application of the Ten Principles of Corporate Governance during the 2010 financial year

INTRODUCTION

The present report analyses the application in 2010 of the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (hereinafter called "the Principles") by Luxembourg companies listed for trading on the regulated market of the Stock Exchange.

The study presents an analysis of the publication of a chapter (hereinafter called "the CG chapter") on corporate governance in the annual reports of companies, of their CG charter (hereinafter called "the CG charter") published on their website, and all the data publicly available on their website, in their annual report or elsewhere.

The period studied is essentially the 2010 financial year, which was the object of the last annual report, but it also takes account of data available on websites during the year 2011.

It is important to stress that the Ten Principles of Corporate Governance came into force officially on 1st January 2007 and that a revised version officially came into force on 1st October 2009 and is applicable from 2010 financial year onwards.

METHODOLOGY

The Luxembourg Stock Exchange Company operates two markets. The first began its activities in May 1929. Since then it has become a regulated market in the European legislation sense. The second, launched in July 2005 and called "Euro MTF", is a multilateral trading system. The internal regulations and the trading manual of the Luxembourg Stock Exchange are applicable on these two markets.

Considering that legislative texts limit the requirement of an obligatory declaration on corporate governance to companies listed on a regulated market, only companies listed on the regulated market of the Luxembourg Stock Exchange were taken into account. Companies listed on the Euro MTF market were not analysed.

The study is based on a total of 22 Luxembourg companies listed on the regulated market of the Luxembourg Stock Exchange. The present report is on the situation as at 31 July 2011.

Two companies, whose annual reports were not available at the closing date of this report, have not been considered.

Another company will hold its general meeting only in September. As the closing date is on 31 July, it does not appear in this report.

For determination of the criteria for analysing the various aspects of the present report, an approach similar to that used in neighbouring countries was chosen.

The object of the present report was to analyse the application of the Principles. It was important to check the publication of a CG chapter in the annual report and the disclosure of a CG charter on the website (Principle 1).

Furthermore, the study presents detailed results on the composition and duties of the board (Principle 2 and Principle 3), as well as an evaluation of the performance of the board (Principle 6), the presence and composition of committees (Principle 3, Principle 4 and Principle 9), the presence of an executive management (Principle 7) and directors' remuneration (Principle 8).

The publication of a note on the policy for dealing with conflicts of interest (Principle 5) and the results on information to shareholders was also analysed (Principle 10).

The application of the Principles by the companies concerned is based on the "comply or explain" system. A company observes the Principles when it makes use of this system. Companies are assumed to apply the Principles or to explain the reasons for any divergence or non-application. The second option does not mean that the non-application of a Principle by making explanations implies that the company is non-compliant.

This study is limited to checking the existence of an explanation without checking its validity or foundation.

Given that new elements may be published regularly, it is important to note that the results in this report may evolve.

The present report is divided into 4 parts:

- Part 1: general consideration of the study
- Part 2: detailed review of the observance of the Principles
- Part 3: composition of the LuxX index
- Part 4: conclusion.

New compared to the year 2009

Compared to the study of 2009 financial year, this report also analyzes the following points:

- The executive management of the company should be entrusted to a management body, headed by an individual other than the chairman of the board.
- A maximum of 16 board members can be considered a reasonable limit.
- Information in relation to the training of directors.
- The company should place an item on the agenda for the Annual General Meeting on director's remuneration.
- The company should acknowledge the right of any shareholder or group of shareholders holding at least 5% of the capital to ask for items to be placed on the agenda for the Annual General Meeting and to lodge draft resolutions on the items on the agenda on the day of the Annual General Meeting.

1) General consideration of the study

This first part analyses whether companies have published a CG chapter and/or a CG charter before analysing the application of the different codes/principles of governance.

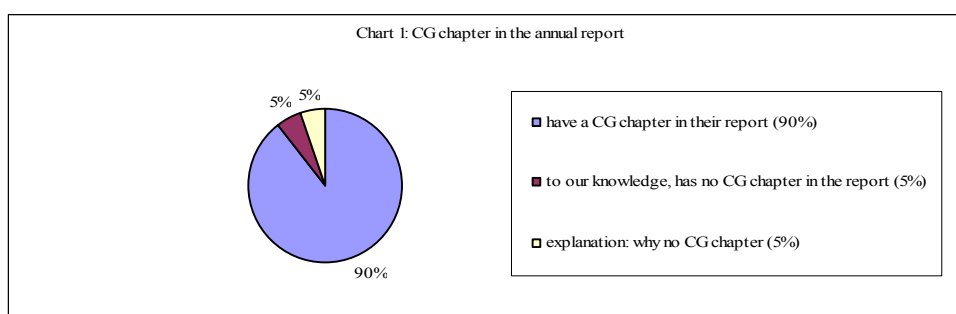
a) Publication of a CG chapter and/or a CG charter

Of the 19 companies,

- 12 companies publish a CG chapter in their annual report and a CG charter on their website,
- 5 companies publish a CG chapter in their annual report but no CG charter on their website,
- 1 company publishes neither a CG chapter in the annual report nor a CG charter on the website, but explains, by applying the "comply or explain" system, that "*La société, étant une filiale à 77,4% de la société-mère, est indirectement soumise aux règles de gouvernance d'entreprises belges. Pour cette raison nous n'avons pas émis de règles individuelles pour la société.*",
- to our knowledge, 1 company has not published a CG chapter in the annual report or a CG charter on the website.

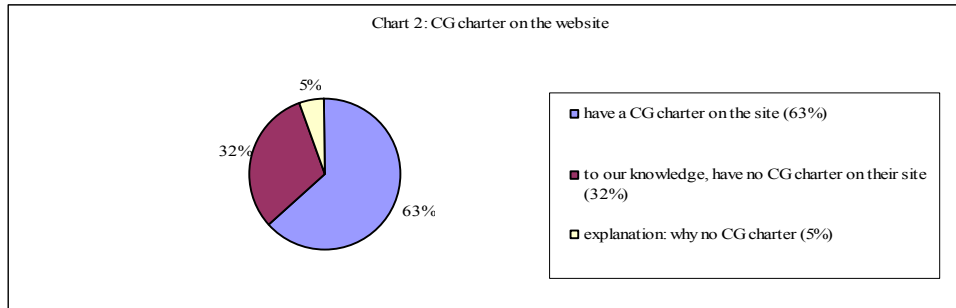
The detail of the situations is given below:

- *CG chapter in the annual report*

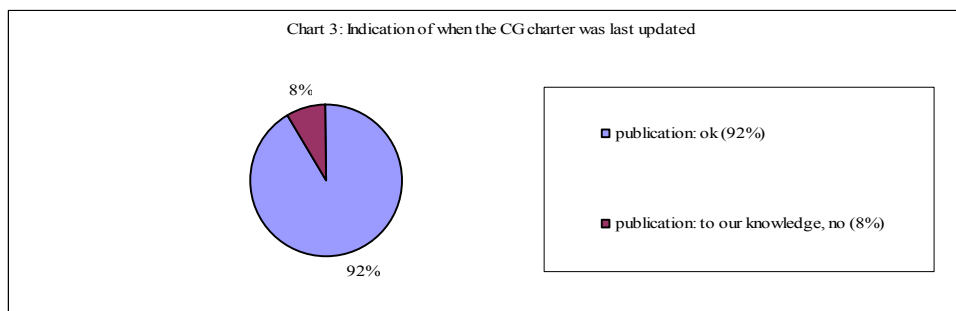


- 17 companies out of 19 publish a CG chapter in their annual report.
- For 1 company, we have no knowledge of the publication of a CG chapter in the annual report.
- 1 company publishes neither a CG chapter in the annual report nor a CG charter on the website but explains, by applying the "comply or explain" system, that "*La société, étant une filiale à 77,4% de la société-mère, est indirectement soumise aux règles de gouvernance d'entreprises belges. Pour cette raison nous n'avons pas émis de règles individuelles pour la société.*".

- *CG charter on the website*



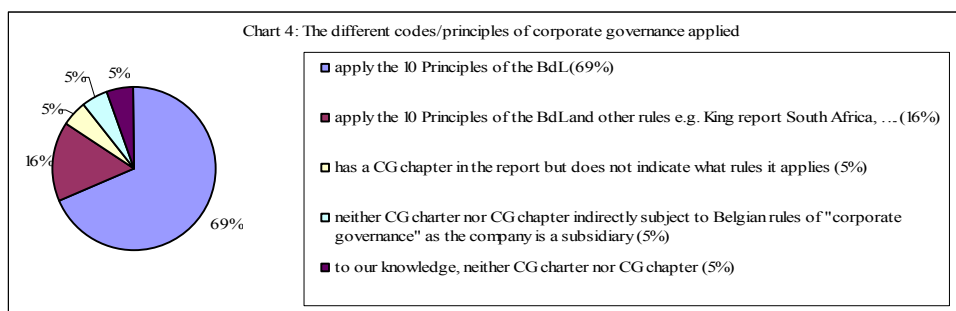
- 12 companies out of 19 publish a CG charter on their website.
- 1 company publishes neither a CG charter in the annual report nor a CG charter on the website but explains, by applying the "comply or explain" system, that "*La société, étant une filiale à 77,4% de la société-mère, est indirectement soumise aux règles de gouvernance d'entreprises belges. Pour cette raison nous n'avons pas émis de règles individuelles pour la société.*".
- The 6 companies which do not have a CG charter, however, provide general information on their website about corporate governance (e.g. composition of the board of directors, composition of committees,...).



Of the 12 companies that publish a CG charter on their website:

- 11 companies publish the date of the last update 92%
- To our knowledge, 1 company does not publish it 8%

b) The different codes/principles of governance applied



It emerges that out of the 19 companies analysed, 17 companies have applied principles of corporate governance.

For the remaining 2 companies, we have not found any reference to the possible application of Principles.

The results indicate that 13 companies (out of 17) have applied the Principles.

Here is the detail for the remaining 4 companies (out of 17):

- 1 company "continually monitors U.S., European Union and Luxembourg legal requirements and best practices in order to make adjustments to its corporate governance controls and procedures when necessary"
- 1 company "suit strictement les exigences légales et meilleures pratiques de l'Union Européenne et du Luxembourg"
- 1 company "respecte à la fois les "Dix principes de la Gouvernance d'entreprise" adoptés par la Bourse de Luxembourg et les règles de gouvernance appliquées par les sociétés cotées à Paris"
- 1 company has a CG chapter in its report but does not indicate what rules it applies.

2) Detailed review of the observance of the Ten Principles of Corporate Governance

It is to be noted that this part analyses the 19 Luxembourg companies listed on the regulated market, even those which state that they apply other codes/principles of corporate governance.

The study analyses data available publicly:

- in the annual report for the year 2010,
- in the CG chapter of the annual report for the year 2010,
- on the website,
- in the CG charter on the website.

PRINCIPLE 1: Corporate governance framework

The company will adopt a clear and transparent corporate governance framework for which it will provide adequate disclosure.

- 12 companies publish a CG chapter in their report and a CG charter on their website,
- 5 companies have a CG chapter in their report, but do not publish a CG charter on their website,
- to our knowledge, 1 company has neither CG chapter nor CG charter,
- 1 company publishes neither a CG chapter in the annual report nor a CG charter on the website but explains, by applying the "comply or explain" system, that "*La société, étant une filiale à 77,4% de la société-mère, est indirectement soumise aux règles de gouvernance d'entreprises belges. Pour cette raison nous n'avons pas émis de règles individuelles pour la société.*".

The results found indicate that 17 companies out of 19 are interested in corporate governance and have published either a CG chapter in their annual report or a CG charter on their website.

Out of those 17 companies:

- 5 dedicated a chapter in their annual report
- and 12 companies published a CG chapter in their annual report as well as a CG charter on their website.

2 companies published neither a CG chapter in their annual report nor a CG charter on their website. 1 company gives an explanation for this.

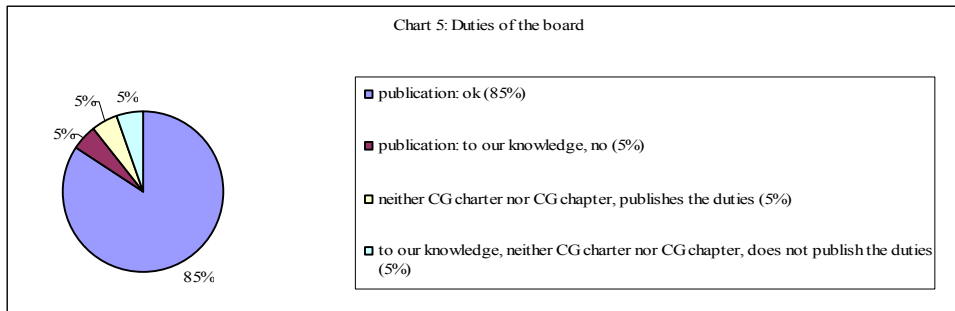
89% of companies have adopted this principle of corporate governance. They abide by it in order to improve transparency, control and management of the company. The objective is to increase the confidence of investors and to act in the corporate interest of the company.

PRINCIPLE 2: Duties of the board

The board will be responsible for the management of the company. As a collective body, it will act in the corporate interest and serve the common interests of the shareholders ensuring the sustainable development of the company.

(Reminder: publication is understood to be the annual report, the chapter in the annual report, the website and the charter on the website)

a) Objective: to check whether the duties of the board are described and published



Of the 19 companies:

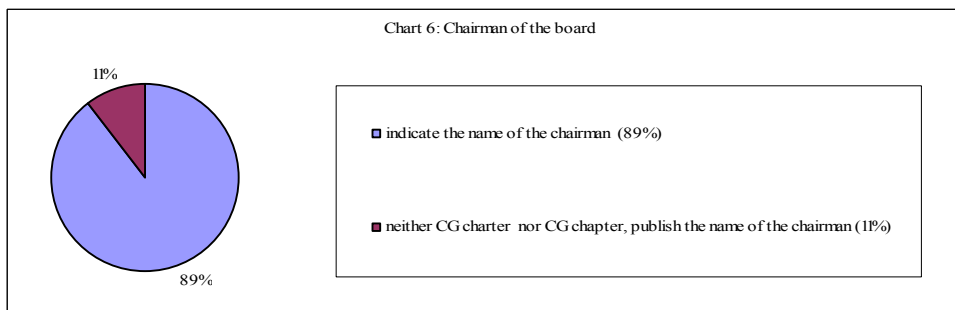
- 17 companies publish the duties of the board 90%
- To our knowledge, 2 companies do not publish them 10%
 - 1 company – CG chapter and/or CG charter, report and/or site 5%
 - 1 company – neither CG charter nor CG chapter, report and/or site 5%

Below are similar elements given by the majority of companies which publish the duties of their board:

"Le CA est l'organe en charge de l'administration et de la gestion de la société et a les pouvoirs les plus étendus pour la réalisation de l'objet social.

Le CA agit dans l'intérêt de la société et défend l'intérêt commun des actionnaires en veillant au développement durable de la société."

b) Objective: to determine the name of the chairman



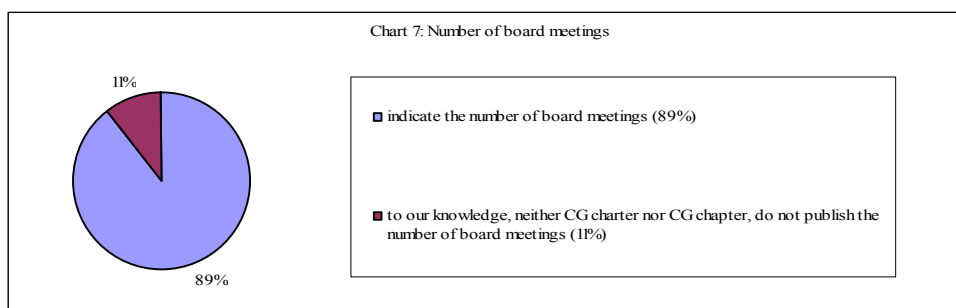
Of the 19 companies:

- 19 companies publish the name of the chairman of the board 100%

For 3 companies, the executive management of the company has not been entrusted to a management body, headed by an individual other than the chairman of the board. 2 companies explain:

- "The Company complies with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange in all respects except for the recommendation to separate the posts of chairman of the board of Directors and chief executive officer. The nomination of the same person to both positions was approved in 2007 by the shareholders (with the Significant Shareholder abstaining) (...). Since that date, the rationale for combining the positions of Chief Executive Officer and Chairman of the Board of Directors has become even more compelling. The Board of Directors is of the opinion that the *Significant Shareholder's* strategic vision for the (...) industry in general and for *the company* in particular in his role as CEO is a key asset to the Company, while the fact that he is fully aligned with the interests of the Company's shareholders means that he is uniquely positioned to lead the Board of Directors in his role as Chairman."
- "Gemäß Staatsvertrag vom 10. Juli 1958 ist der Präsident des Verwaltungsrats luxemburgischer Staatsangehöriger. In der Regel handelt es sich dabei um einen Vertreter der Luxemburger Regierung. Dieser Logik folgend hat auch ein Vertreter der Luxemburger Regierung die Geschäftsleitung inne, und zwar in Personalunion. Alle sechs Administrateurs-Délégués sind Mitglieder des Verwaltungsrats. Eine Bündelung der Verantwortungen zwischen Vorsitz von Verwaltungsrat und Geschäftsleitung in einer Person ist einer effektiven Entscheidungsfindung förderlich. Die Beschlüsse der Administrateurs-Délégués werden einstimmig getroffen. Erweist sich dies als nicht möglich, wird der Beschluss zur Entscheidung an den Verwaltungsrat weitergeleitet. Der Vorsitzende der Administrateurs-Délégués hat dementsprechend kein übergeordnetes Stimmrecht. Die Machtkonzentration, von der die Empfehlung 1.3. des Corporate Governance Kodex der Luxemburger Börse abrät, ist somit relativiert, indem der Vorsitzende der Geschäftsleitung bestenfalls ein "primus inter pares" ist."

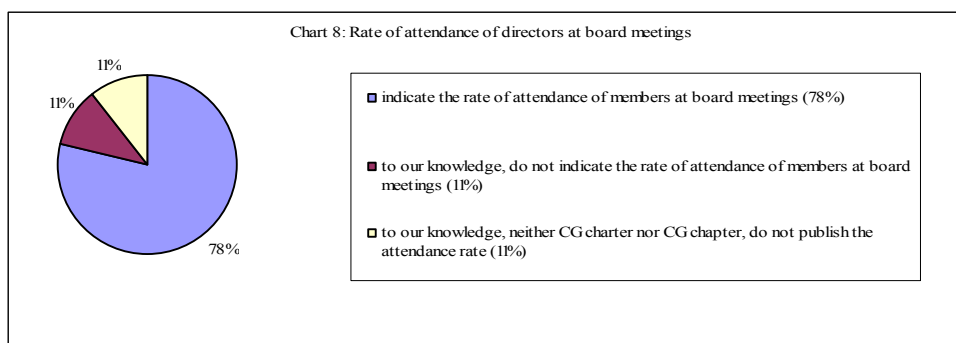
c) Objective: to check publication of the number of board meetings



Of the 19 companies:

- 17 companies publish the number of board meetings 89%
- To our knowledge, 2 companies do not publish it 11%
 - 2 companies – neither CG charter nor CG chapter, report and/or site 11%

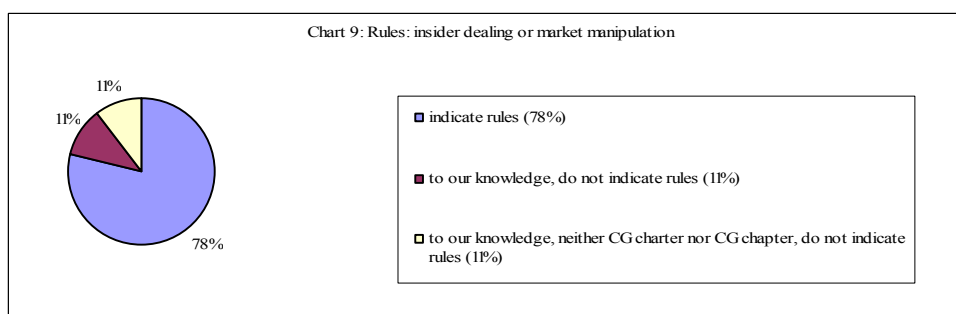
d) Objective: to check whether the rate of attendance of directors at board meetings is published



Of the 19 companies:

- 15 companies publish the rate of attendance of directors at board meetings 78%
Some companies even state the rate of attendance for each of the directors or explain the reason for their absence.
- To our knowledge, 4 companies do not publish it 22%
 - 2 companies – CG chapter and/or CG charter, report and/or site 11%
 - 2 companies – neither CG charter nor CG chapter, report and/or site 11%

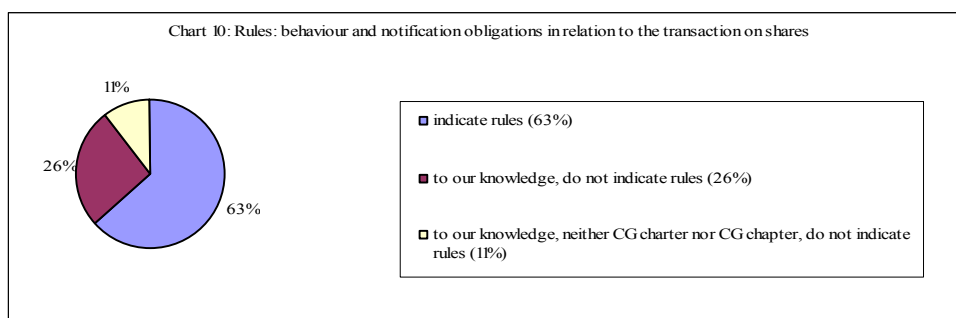
e) Objective: to check whether the board adopts appropriate rules to avoid its members and the company's employees becoming guilty of insider dealing or market manipulation



Of the 19 companies:

- 15 companies publish rules 78%
- To our knowledge, 4 companies do not publish rules 22%
 - 2 companies – CG chapter and/or CG charter, report and/or site 11%
 - 2 companies – neither CG charter nor CG chapter, report and/or site 11%

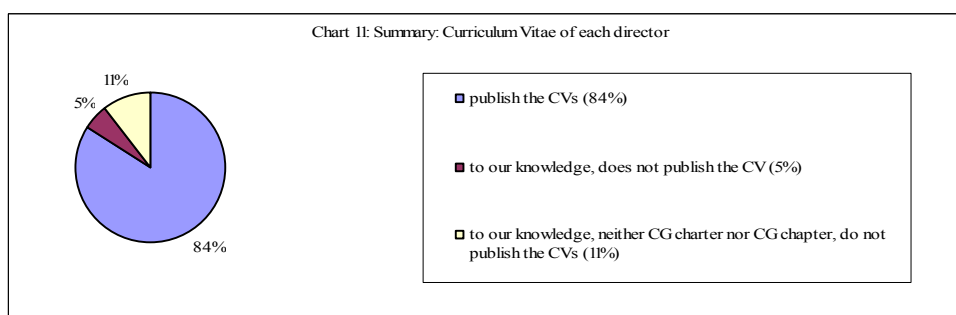
f) Objective: to check whether the board formulates a set of rules regulating the behaviour and notification obligations in relation to transactions in the company's shares and other financial instruments carried out on their own account by directors and other individuals bound by these obligations



Of the 19 companies:

- 12 companies publish rules 63%
- To our knowledge, 7 companies do not publish rules 37%
 - 5 companies – CG charter and/or CG charter, report and/or site 26%
 - 2 companies – neither CG charter nor CG chapter, report and/or site 11%

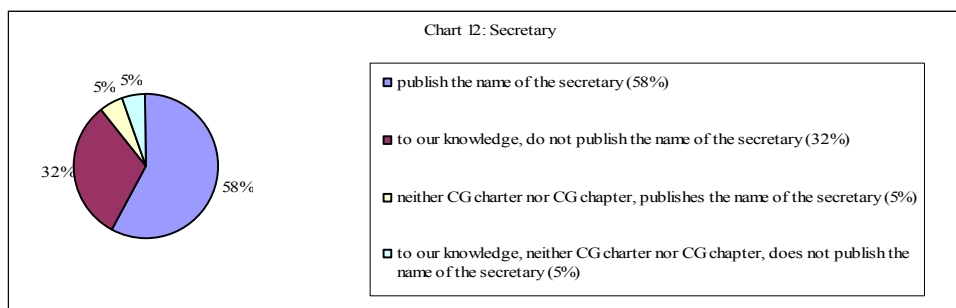
g) Objective: to check publication of a summary curriculum vitae of each director in order to take account of the experience required and directorships in other companies



Of the 19 companies:

- 16 companies publish the CVs 84%
 - 1 company does not publish the CV of each director
 - 4 companies only publish the "autres mandats exercés par les mandataires sociaux dans des sociétés cotées"
- To our knowledge, 3 companies do not publish it 16%
 - 1 company – CG charter and/or CG charter, report and/or site 5%
 - 2 companies – neither CG charter nor CG chapter, report and/or site 11%

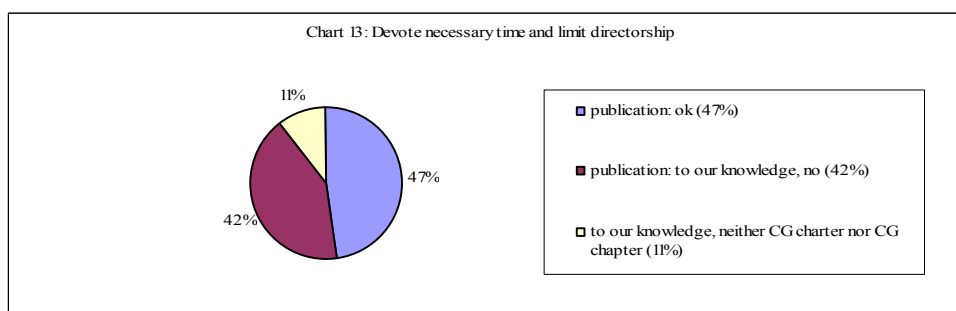
h) Objective: to check publication of the name of the secretary



Of the 19 companies:

- 12 companies publish the name of the secretary 63%
- To our knowledge, 7 companies do not publish it 37%
 - 6 companies – CG chapter and/or CG charter, report and/or site 32%
 - 1 company – neither CG charter nor CG chapter, report and/or site 5%

i) Objective: to check publication of the commitment that each director should undertake to devote the necessary time and attention to his duties and to limit his other professional commitments (in particular directorships held with other companies) to the extent necessary for him to be able to properly discharge his duties



Of the 19 companies:

- 9 companies publish the information 47%
- To our knowledge, 10 companies do not publish it 53%
 - 8 companies – CG chapter and/or CG charter, report and/or site 42%
 - 2 companies – neither CG charter nor CG chapter, report and/or site 11%

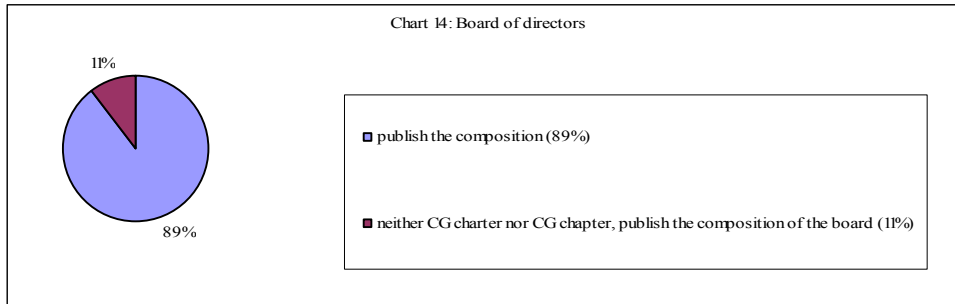
The companies that publish information on this subject, indicate that:

- "les administrateurs doivent consacrer à leurs fonctions le temps et l'attention nécessaire et doivent limiter le nombre de leurs engagements professionnels afin de mener à bien leur mission dans l'intérêt de la Société;
- les administrateurs s'assurent de ce qu'ils disposent des compétences et de la disponibilité nécessaire afin de mener à bien leur mission dans l'intérêt de la Société. A cet effet, ils doivent limiter le nombre de mandats d'administrateurs dans d'autres sociétés."

PRINCIPLE 3: Composition of the board and the special committees

The board will be composed of competent, honest and qualified persons. Their choice will take account of the specific features of the company.
The board will ensure that any special committees necessary for it to properly fulfil its duties are set up.

a) *Objective: to check publication of the composition of the board*



Of the 19 companies:

- 19 companies publish the composition of the board 100%

The results relating to transparency with regard to the composition of the board are perfect.

With regard to this principle and the reading of the recommendations and guidelines relating thereto, we think it is important to state that in particular the guideline of Recommendation 3.2. (while not mandatory) is not always followed:

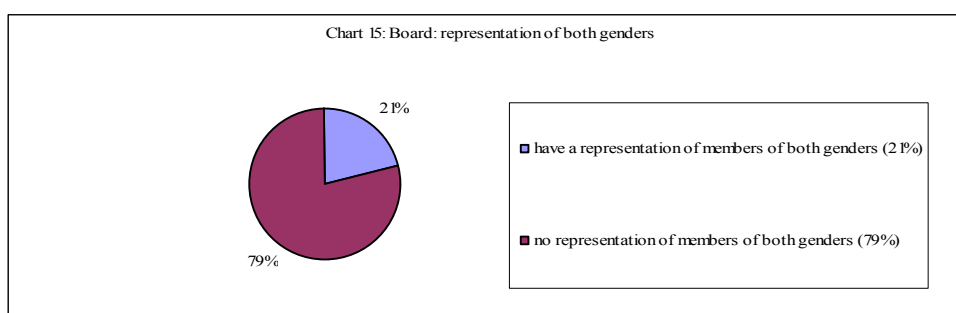
Recommendation 3.2.

The board should be of an appropriate size in order to facilitate effective decision-making. It should be large enough for its members to contribute experience and knowledge from different fields and for changes in its composition not to create undue disruption. To ensure effective deliberation and decision-making, the number of directors should remain limited.

Guideline A maximum of 16 board members can be considered a reasonable limit.

3 companies exceed the number of 16 board members.

b) Objective: to check that the board has an appropriate representation of both genders



Of the 19 companies:

- 4 companies have a representation of members of both genders 21%
- 15 companies do not have a representation of members of both genders 79%

With regard to this principle and the reading of the recommendations and guidelines relating thereto, we think it is important to state that in particular the guideline of Recommendation 3.1. (while not mandatory) is not always followed:

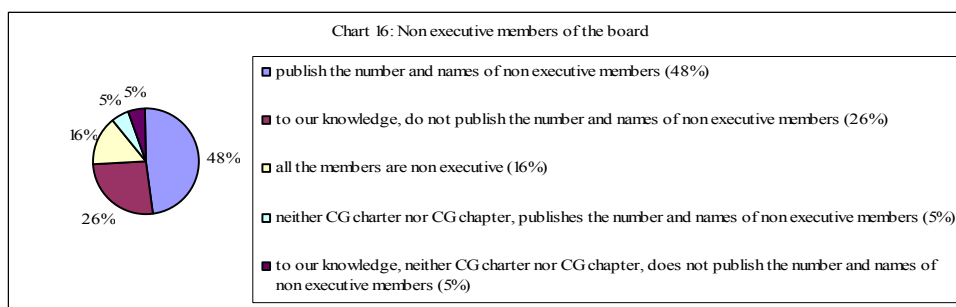
Recommendation 3.1.

In their diversity, members of the board represent a complementarity of experiences and knowledge. A list of the board members should be disclosed in the Corporate Governance Chapter of the annual report.

Guideline Insofar as possible the board should have an appropriate representation of both genders.

4 companies have a representation of members of both genders. In 3 companies, only one woman is on the board.

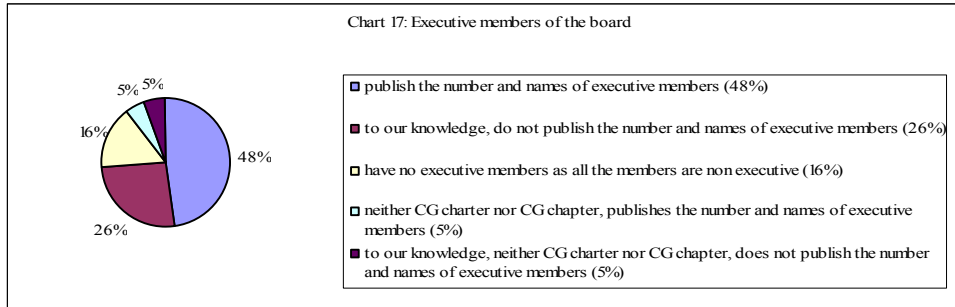
c) Objective: to check publication of the number and names of non executive members of the board



Of the 19 companies:

- 13 companies publish the number and names of non executive members 69%
In 3 companies, all the members are non executives.
- To our knowledge, 6 companies do not publish these 31%
 - 5 companies – CG charter and/or CG charter 26%
 - 1 company – neither CG charter nor CG charter 5%

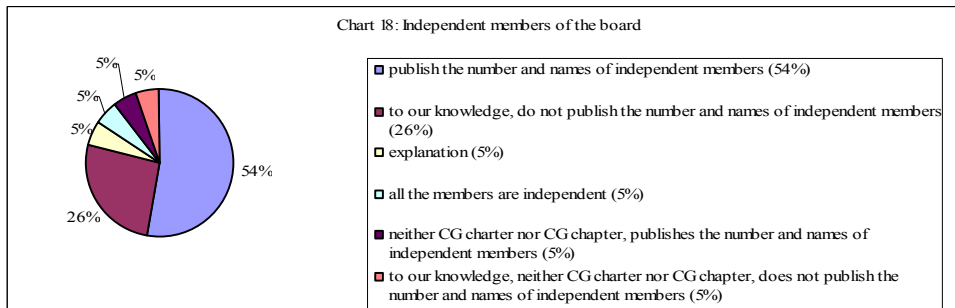
d) Objective: to check publication of the number and names of executive members of the board



Of the 19 companies:

- 13 companies publish the number and names of executive members 69%
In 3 companies, all the members are non executives.
- To our knowledge, 6 companies do not publish these 31%
 - 5 companies – CG charter and/or GE charter 26%
 - 1 company – neither CG charter nor GE charter 5%

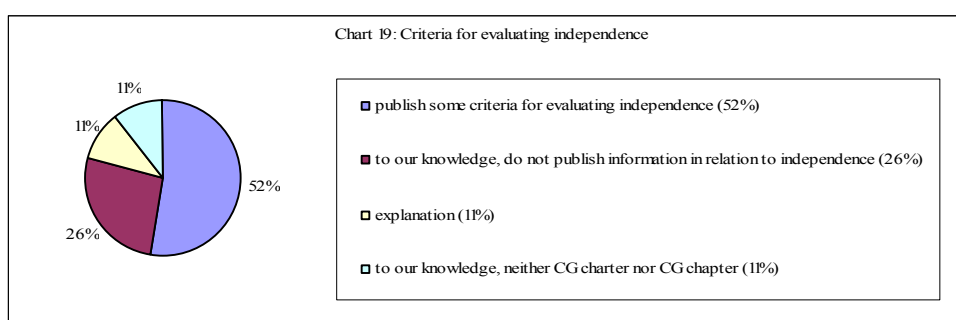
e) Objective: to check publication of the number and names of independent members of the board



Of the 19 companies:

- 12 companies publish the number and names of independent members 64%
In 1 company, all the members are independent.
- To our knowledge, 7 companies do not publish these 36%
 - 5 companies – CG chapter and/or CG charter 26%
 - 1 company gives the following explanation: 5%
"Wegen der Bestimmungen im Staatsvertrag vom 10. Juli 1958 wird von einigen Empfehlungen des Corporate Governance Kodex der Luxemburger Börse abgewichen (z.B. keine unabhängigen Verwaltungsratsmitglieder, kein Auswahlausschuss zur Nominierung der Mitglieder, keine begleitende Empfehlung des Verwaltungsrats zu Vorschlägen für die Wahl von Mitgliedern)."
 - 1 company – neither CG charter nor CG chapter 5%

f) Objective: to determine the publication of criteria for evaluating the independence of directors



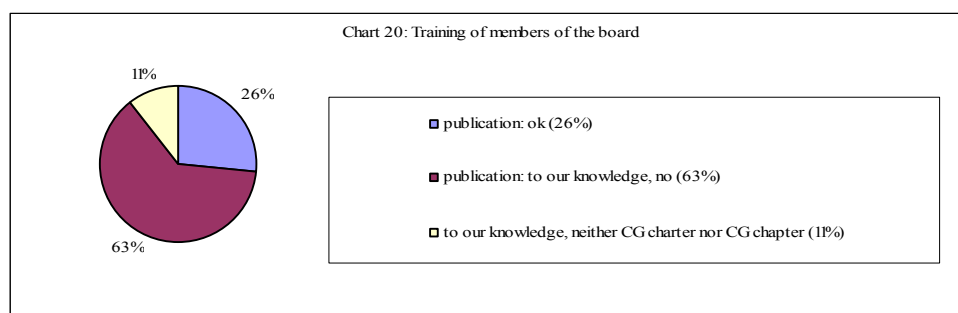
Of the 19 companies:

- 10 companies publish a definition of the notion of independence 52%
 - 1 company explains: "Toutefois en ce qui concerne les critères d'indépendance des administrateurs, le Conseil d'administration de *la société* considère, contrairement aux critères proposés par la recommandation 3.5 qu'un mandat de longue durée d'un administrateur est susceptible de constituer un avantage en raison de la connaissance approfondie que cet administrateur aura acquise durant ces années du Groupe de *la société*, sans que pour autant son esprit critique et/ou son indépendance s'en trouvent nécessairement compromis."
 - 1 company indicates that: "Le conseil d'administration propose à l'Assemblée Générale des actionnaires la nomination des Administrateurs. Il spécifie le terme du mandat et vérifie que l'Administrateur répond aux critères d'indépendance." The list of independence criteria is not published in the CG chapter.
 - 1 company indicates that: "L'annexe D des dix Principes de gouvernance d'entreprise de la Bourse de Luxembourg dresse une liste des critères d'indépendance. Parmi ces critères, un administrateur est indépendant s'il n'a pas siégé au Conseil d'administration (ou de surveillance) en qualité d'administrateur non exécutif ou de membre du Conseil de surveillance pendant plus de douze ans." Le Conseil d'administration n'a pas repris ce critère parmi ses critères d'indépendance. Il considère que la longévité d'un mandat ne remet pas en cause la qualité d'indépendance. Au contraire, la connaissance approfondie acquise tout au long des années par un administrateur ou membre d'un comité spécialisé apporte une plus-value à la Société faisant preuve d'une stabilité au sein de la gouvernance de la Société."

- To our knowledge, 9 companies do not publish information on this subject 48%
 - 5 companies – GE chapter and/or GE charter 26%
 - 2 companies give the following explanation: 11%
 - "En raison de la structure de son actionnariat, le Conseil d'administration *de la société* est composé de représentants des principaux actionnaires et des représentants des syndicats."
 - "Wegen der Bestimmungen im Staatsvertrag vom 10. Juli 1958 wird von einigen Empfehlungen des Corporate Governance Kodex der Luxemburger Börse abgewichen (z.B. keine unabhängigen Verwaltungsratsmitglieder, kein Auswahlausschuss zur Nominierung der Mitglieder, keine begleitende Empfehlung des Verwaltungsrats zu Vorschlägen für die Wahl von Mitgliedern)."
 - 2 companies – neither CG charter nor CG chapter 11%

It is not always possible to know the degree of independence of the chairmen and members of special committees, as 7 companies do not specify whether the directors are considered to be independent.

g) Objective: information in relation to the training of directors



Of the 19 companies:

- 5 companies provide information on the training of directors 26%
- To our knowledge, 14 companies do not publish information 74%
 - 12 companies – CG chapter and/or GE charter 63%
 - 2 companies – neither CG charter nor GE chapter 11%

Only 5 companies (26%) communicate on the training of directors, and their professional experience has not been retained.

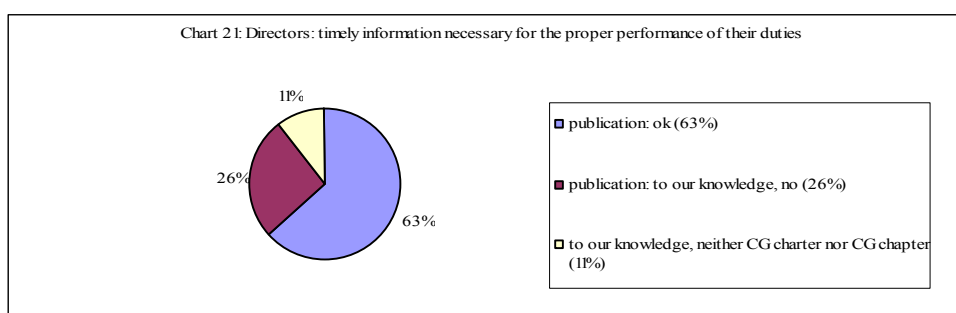
The companies that publish state:

- "The Board of Directors believes that its members have the appropriate range of skills, knowledge and experience, as well a greater degree of diversity, necessary to enable them to effectively govern the business. To further bolster their skills, the Board of Directors launched in 2009 a continuous education program for its members. The topics to be addressed through the program include areas of importance for the future growth and development of the Company (e.g., strategy, marketing, human resources, industrial development, corporate governance, legal and regulatory). Additional topics may be added at the request of the members of the Board of Directors. The education program usually consists of an introduction by recognized experts in the relevant

fields, who may be practitioners or academics, followed by a facilitated discussion between the presenter and the Board of Directors. The members of the Board of Directors also have the opportunity to participate in specific programs designed for directors of publicly listed companies at reputable academic institutions and business schools. The Board of Directors has a yearly budget dedicated to the continuing education program."

- "Le Président veille à ce que les ressources nécessaires soient mises à disposition pour des programmes de formation des Administrateurs. Il s'assure en outre que: les nouveaux Administrateurs reçoivent un programme de formation adapté à leurs besoins individuels et qu'ils soient initiés au fonctionnement du Groupe *de la société* pour leur permettre de contribuer dans les meilleures conditions aux travaux du Conseil d'administration; les Administrateurs puissent, par une formation continue, mettre à jour et parfaire les compétences et connaissances nécessaires à l'exercice de leur mandat; les Administrateurs appelés à faire partie d'un comité spécialisé du Conseil d'administration, reçoivent une formation portant sur les attributions de ce comité ainsi que toute autre information liée au rôle spécifique de ce comité."
- "Le Président veille à ce que les ressources nécessaires soient mises à disposition pour des programmes de formation des Administrateurs. Il s'assure en outre que: les nouveaux Administrateurs reçoivent un programme de formation adapté à leurs besoins individuels et qu'ils soient initiés au fonctionnement de *la société* et de ses filiales pour leur permettre de contribuer dans les meilleures conditions aux travaux du Conseil d'Administration; les Administrateurs puissent, par une formation continue, mettre à jour et parfaire les compétences et connaissances nécessaires à l'exercice de leur mandat; les Administrateurs appelés à faire partie d'un comité spécialisé du Conseil d'Administration reçoivent une formation portant sur les attributions de ce comité ainsi que toute autre information liée au rôle spécifique de ce comité."
- "Neue Verwaltungsratsmitglieder erhalten eine Einführung in die Strukturen und den Betriebsablauf der Gesellschaft, die es ihnen ermöglicht, bestmöglich zu einer konstruktiven Arbeit des Verwaltungsrats beizutragen."
- "Les Administrateurs nouvellement nommés doivent prendre connaissance des textes légaux et réglementaires liés à leur fonction, des spécificités prévues aux statuts de la Société, de la présente charte et des règles de fonctionnement interne. Le Président ou le Vice-président du Conseil d'administration veille tout particulièrement à ce que les nouveaux membres reçoivent une formation initiale leur permettant de contribuer dans les meilleurs délais aux travaux du Conseil d'administration. Ce processus de formation permet à l'Administrateur d'appréhender les caractéristiques essentielles de la Société, en ce compris celles de sa gouvernance, sa stratégie, ses politiques clés ainsi que ses défis en terme d'activité et de finance. L'Administrateur pourra bénéficier de formations complémentaires sur les spécificités et le fonctionnement de la Société. Les Administrateurs appelés à faire partie d'un Comité spécialisé reçoivent une formation comprenant une description des attributions de ce comité ainsi que toute autre information utile liée à la mission spécifique du comité. Plus particulièrement, la formation des Administrateurs appelés à faire partie du Comité d'audit comprend une vue d'ensemble de l'organisation du contrôle interne et de la gestion des risques de la Société, des informations complètes sur les caractéristiques comptables, financières et opérationnelles de la Société. Ce programme inclut également des contacts avec le commissaire, le réviseur d'entreprises et les employés concernés, le cas échéant. Les Administrateurs mettent ainsi à jour leurs compétences et développent leur connaissance de la Société en vue de remplir au mieux leur mission."

h) Objective: directors should be provided with timely information necessary for the proper performance of their duties



Of the 19 companies:

- 12 companies provide information on this subject 63%
- To our knowledge, 7 companies do not publish information 37%
 - 5 companies – CG charter and/or GE charter 26%
 - 2 companies – neither CG charter nor GE charter 11%

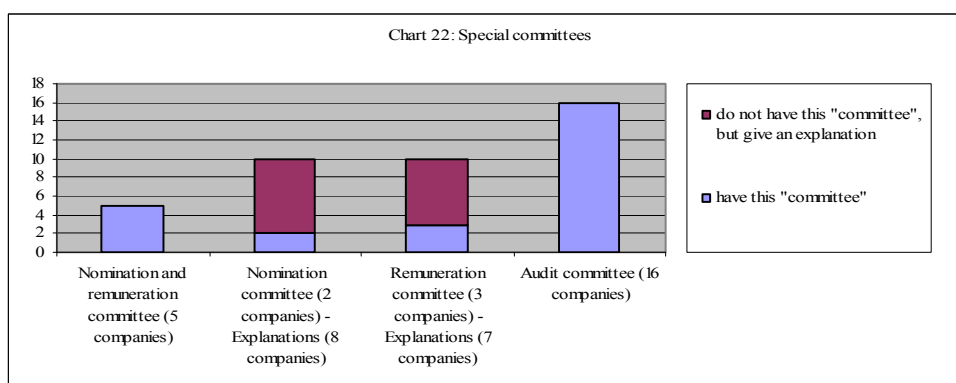
The companies which provide information on this subject, mention that:

- the documents and information concerning the agenda are given to the directors x days before the meeting of the board;
- the chairman of the board should ensure that directors receive timely and adequate information to vote and deliberate on the items of the agenda.

i) Objective: establishing special committees in companies

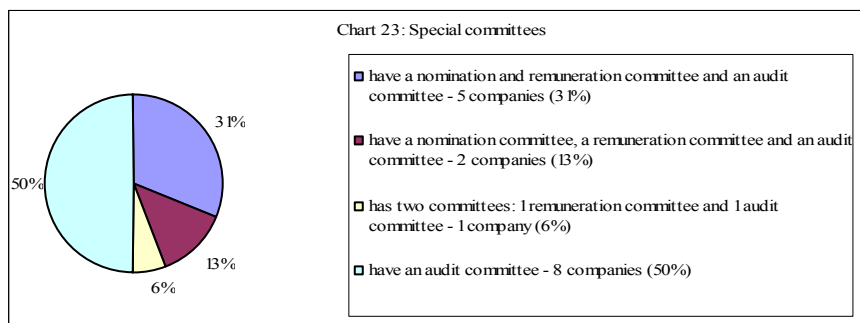
Of the 19 companies:

- 16 companies (84%) mention the existence of one or more special committees. 8 companies created certain committees and explain why they do not create others.
- To our knowledge, 3 companies (16%) do not mention the existence of one or more special committees.



Of the 16 companies mentioning the existence of one or more special committees, the analysis permits an observation to be made of the existence of:

- 5 nomination and remuneration committees,
- 2 nomination committees,
- 3 remuneration committees,
- 16 audit committees.



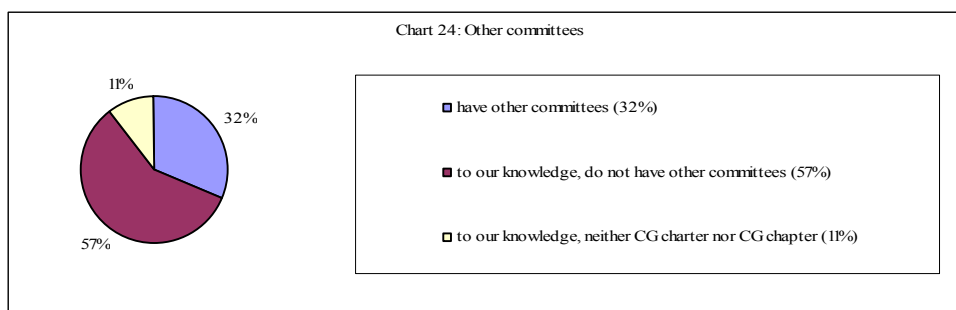
By analysing the above chart, we observe that among the 16 companies mentioning the existence of committees:

- 5 companies (31%) have a nomination and remuneration committee and an audit committee. One of these companies explains that:
"Le principe 4 des dix Principes de gouvernance d'entreprise de la Bourse de Luxembourg recommande la constitution d'un Comité de nomination et le principe 8, la constitution d'un Comité de rémunération. Pour des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de regrouper les deux comités en un seul, nommé : "Comité de rémunération et de nomination"."
- 2 companies (13%) have a nomination committee, a remuneration committee and an audit committee.
- 1 company (6%) only has 2 committees, a remuneration committee and an audit committee, and explains that:
"No Nomination Committee has been created as relevant decisions are prepared directly by the Board."
- 8 companies (50%) have only 1 committee, the audit committee. 6 companies explain that:
 - "The Board of Directors assessed the need to establish a nomination committee to assist in the selection of directors. They did not consider it necessary, given the specific logic prevailing in the composition of *the company's* Board of Directors, where representatives from major shareholders and major subsidiaries are represented together with a sufficient number of independents."
"The Board of Directors considers that, since the vast majority of its members are not remunerated by *the company*, the establishment of a remuneration committee is not necessary."
 - "The Company's Corporate Governance Charter is based on the Ten Principles of Corporate Governance published in 2006 by the

Luxembourg Stock Exchange, although it differs in certain respects in order to take account of the specificities of the Company."

- "Les rémunérations de la direction opérationnelle de *la société* sont fixées par les actionnaires de référence. Le Conseil d'Administration ne juge pas nécessaire la constitution d'un Comité de Rémunération. De même, pour des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de ne pas constituer de Comité de Nomination."
- "Wegen der Bestimmungen im Staatsvertrag vom 10. Juli 1958 wird von einigen Empfehlungen des Corporate Governance Kodex der Luxemburger Börse abgewichen (z.B. keine unabhängigen Verwaltungsratsmitglieder, kein Auswahlausschuss zur Nominierung der Mitglieder, keine begleitende Empfehlung des Verwaltungsrats zu Vorschlägen für die Wahl von Mitgliedern)."
 "Die Verwaltungsratsmitglieder erhalten keine Bonuszahlungen, Aktienoptionen oder sonstigen erfolgsorientierten Leistungsanreize. Anders als im Corporate Governance Kodex der Luxemburger Börse empfohlen gibt es deshalb keinen Vergütungsausschuss für die Festlegung der Bezüge und Entschädigungen der Verwaltungsratsmitglieder."
 "Die Administrateurs-Délegués erhalten keine Bonuszahlungen, Aktienoptionen oder sonstigen erfolgsorientierten Leistungsanreize. Anders als im Corporate Governance Kodex der Luxemburger Börse empfohlen gibt es deshalb keinen Vergütungsausschuss für die Festlegung ihrer Vergütung."

It is to be noted that one of the above explanations is given for 3 companies.



Of the 19 companies:

- 6 companies have other committees 32%
- To our knowledge, 13 companies do not have other committees 68%
 - 11 companies – CG chapter and/or CG charter 57%
 - 2 companies – neither CG charter nor CG chapter 11%

For example:

- "Risk Management Committee"
- "Stock Option Committee"
- "Operations Management Committee"
- "Corporate Centre Management"
-

PRINCIPLE 4: Appointment of directors and executive managers

The company will establish a formal procedure for the appointment of directors and executive managers.

Of the 19 companies:

- 2 companies have established a nomination committee. The names of the directors comprising it, the number of independent members, the number of non executive members, the number of meetings, a description of the task of the committee and the terms of their evaluation of the performance of this committee are given. The name of the chairman and the rate of attendance of members at meetings is not always given.
A company mentions : "Actuellement les membres du comité de rémunération et de gouvernance font fonction de comité de nomination, suivant décision du Conseil d'Administration."
- For 5 companies, the nomination committee is associated with the remuneration committee, thus composing the *nomination and remuneration committee*. All companies publish the composition of this committee as well as the name of the chairman, the number of independent members, the number of non executive members, the number of executive members, the number of meetings, the description of the task of the committee and the terms of their evaluation of the performance of this committee. The rate of attendance of members at meetings are less well published.

Of the 5 companies, one explains why it has combined the two committees in one:

- "Le principe 4 des dix Principes de gouvernance d'entreprise de la Bourse de Luxembourg recommande la constitution d'un Comité de nomination et le principe 8, la constitution d'un Comité de rémunération. Pour des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de regrouper les deux comités en un seul, nommé : "Comité de rémunération et de nomination"."
- 7 other companies apply the "comply or explain" principle:
 - "The Board of Directors assessed the need to establish a nomination committee to assist in the selection of directors. They did not consider it necessary, given the specific logic prevailing in the composition of *the company's* Board of Directors, where representatives from major shareholders and major subsidiaries are represented together with a sufficient number of independents."
 - "The Company's Corporate Governance Charter is based on the Ten Principles of Corporate Governance published in 2006 by the Luxembourg Stock Exchange, although it differs in certain respects in order to take account of the specificities of the Company."
 - "Les rémunérations de la direction opérationnelle de *la société* sont fixées par les actionnaires de référence. Le Conseil d'Administration ne juge pas nécessaire la constitution d'un Comité de Rémunération. De même, pour des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de ne pas constituer de Comité de Nomination."

- "No Nomination Committee has been created as relevant decisions are prepared directly by the Board."
- "Wegen der Bestimmungen im Staatsvertrag vom 10. Juli 1958 wird von einigen Empfehlungen des Corporate Governance Kodex der Luxemburger Börse abgewichen (z.B. keine unabhängigen Verwaltungsratsmitglieder, kein Auswahlausschuss zur Nominierung der Mitglieder, keine begleitende Empfehlung des Verwaltungsrats zu Vorschlägen für die Wahl von Mitgliedern)."

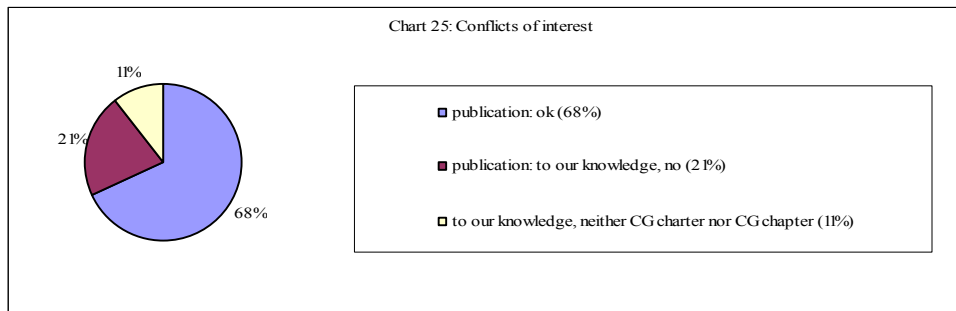
It is to be noted that one of the above explanations is given for 3 companies.

- To our knowledge, 5 companies do not publish information in relation to a nomination committee.

PRINCIPLE 5: Conflicts of interest

The directors will take decisions in the best interests of the company. They will warn the board of possible conflicts between their direct or indirect personal interests and those of the company or an entity controlled by it. They will refrain from taking part in any deliberation or decision involving such a conflict, unless they relate to current operations, concluded under normal conditions.

Objective: to check publication of a mechanism with regard to the policy for dealing with conflicts of interest



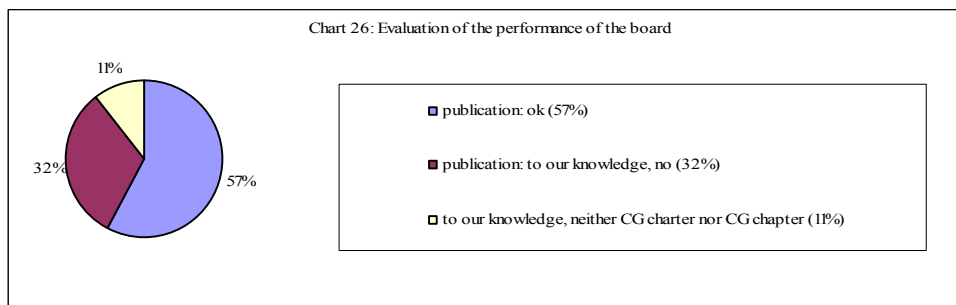
Of the 19 companies:

- 13 companies (68%) publish a mechanism with regard to the policy for dealing with conflicts of interest.
One company publishes the mechanism with regard to the policy for dealing with conflicts of interest in the "code of business conduct and ethics" on its website.
- To our knowledge, 6 companies (32%) do not publish a mechanism
 - 4 companies – CG chapter and/or CG charter 21%
 - 2 companies – neither CG charter nor CG chapter 11%

PRINCIPLE 6: Evaluation of the performance of the board

The board will regularly evaluate its performance and its relationship with the executive management.

a) *Objective: to check publication with regard to the evaluation of the performance of the board*



Of the 19 companies:

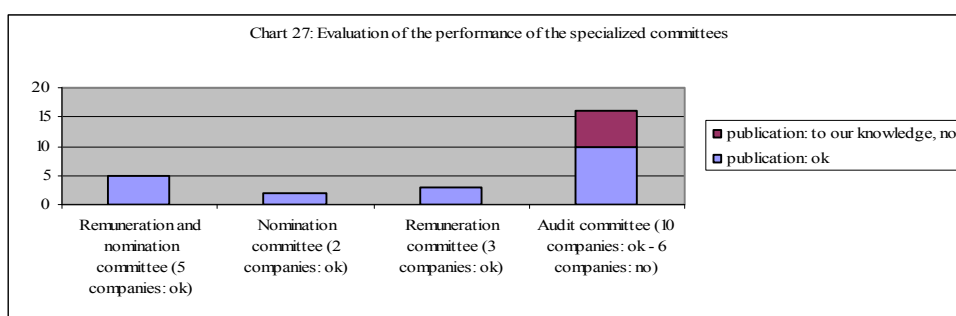
- 11 companies (57%) publish information with regard to the evaluation of the performance of the board
- To our knowledge, 8 companies (43%) do not publish information
 - 6 companies – CG chapter and/or CG charter 32%
 - 2 companies – neither CG charter nor CG chapter 11%

It should be noted that the detail of the information published is extremely variable.

Of the 11 companies which publish information with regard to the evaluation of the performance of the board:

- 3 companies mention that an evaluation of the performance of their board was made during that financial year.
These companies describe the details of the progress of the evaluation and inform of the results of the evaluation.
- 1 company mentions that an evaluation of the performance of the board must be made every eighteen months.
- 2 companies mention that an evaluation of the performance of their board is made regularly (at least every three years, but do not state if it was made during this financial year).
- 1 company mentions that an evaluation of the performance of the board is made regularly (it states neither the deadline nor whether it was done for this financial year).
- 1 company mentions that an evaluation of the performance of the board is made regularly (it announces a new evaluation for the year 2011).
- To our knowledge, 3 companies announce that they have implanted an evaluation of the performance of the board, but make no reference in their publicly available documents.

b) Objective: to check the publication with regard to the evaluation of the performance of the specialized committees



Of the 5 companies which have a nomination and remuneration committee:

- all the companies publish information with regard to the evaluation of the performance of committees.

Of the 2 companies which have a nomination committee:

- all the companies publish information with regard to the evaluation of the performance of committees.

Of the 3 companies which have a remuneration committee:

- all the companies publish information with regard to the evaluation of the performance of committees.

Of the 16 companies which have an audit committee:

- 10 companies publish information with regard to the evaluation of the performance of committees,
- 6 companies do not publish information.

It should be noted that the detail of the information published is extremely variable.

Of the 10 companies which publish information with regard to the evaluation of the performance of the specialized committees:

- 3 companies mention that an evaluation of the performance was made during that financial year.
These companies describe the details of the progress of the evaluation and inform of the results of the evaluation.
- 1 company mentions that an evaluation of the performance must be made annually (but does not state that it was made).
- 2 companies mention that an evaluation of the performance is made regularly (at least every three years, but do not state if it was made during this financial year).
- 1 company mentions that an evaluation of the performance is made regularly (it announces a new evaluation for the year 2011).
- To our knowledge, 3 companies announce that they have implanted an evaluation of the performance, but make no reference in their publicly available documents.

PRINCIPLE 7: Management structure

The board will set up an effective structure of executive management. It will clearly define the duties of executive management and delegate to it the necessary powers for the proper discharge of these duties.

Of the 19 companies:

- 14 companies (74%) indicate their executive management structure (executive committee or management committee).

For 3 companies, the executive management of the company has not been entrusted to a management body, headed by an individual other than the chairman of the board. 2 companies mention:

- "*The Company* complies with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange in all respects except for the recommendation to separate the posts of chairman of the board of Directors and chief executive officer. The nomination of the same person to both positions was approved in 2007 by the shareholders (with the Significant Shareholder abstaining) (...). Since that date, the rationale for combining the positions of Chief Executive Officer and Chairman of the Board of Directors has become even more compelling. The Board of Directors is of the opinion that the *Significant Shareholder's* strategic vision for the (...) industry in general and for *the company* in particular in his role as CEO is a key asset to the Company, while the fact that he is fully aligned with the interests of the Company's shareholders means that he is uniquely positioned to lead the Board of Directors in his role as Chairman."
 - "Gemäß Staatsvertrag vom 10. Juli 1958 ist der Präsident des Verwaltungsrats luxemburgischer Staatsangehöriger. In der Regel handelt es sich dabei um einen Vertreter der Luxemburger Regierung. Dieser Logik folgend hat auch ein Vertreter der Luxemburger Regierung die Geschäftsleitung inne, und zwar in Personalunion. Alle sechs Administrateurs-Délégués sind Mitglieder des Verwaltungsrats. Eine Bündelung der Verantwortungen zwischen Vorsitz von Verwaltungsrat und Geschäftsleitung in einer Person ist einer effektiven Entscheidungsfindung förderlich. Die Beschlüsse der Administrateurs-Délégués werden einstimmig getroffen. Erweist sich dies als nicht möglich, wird der Beschluss zur Entscheidung an den Verwaltungsrat weitergeleitet. Der Vorsitzende der Administrateurs-Délégués hat dementsprechend kein übergeordnetes Stimmrecht. Die Machtkonzentration, von der die Empfehlung 1.3. des Corporate Governance Kodex der Luxemburger Börse abrät, ist somit relativiert, indem der Vorsitzende der Geschäftsleitung bestenfalls ein "primus inter pares" ist."
- To our knowledge, 5 companies (26%) do not publish information in relation to their executive management.

Of the 14 companies which publish their executive management structure, one company does not mention the names of the members comprising it, one company does not mention the name of the chairman of the board and two companies do not publish the duties of the executive management.

PRINCIPLE 8: Remuneration Policy

The company will secure the services of qualified directors and executive managers by means of a suitable remuneration policy that is compatible with the long-term interests of the company.

Of the 19 companies:

- 3 companies have established a remuneration committee. The names of the directors, the number of independent members, the number of non executive members, the number of meetings, a description of the task of the committee as well as the terms of the evaluation of performance are always mentioned. The name of the chairman and the attendance rate are not always given.

2 companies mention:

- "Actuellement les membres du comité de rémunération et de gouvernance font fonction de comité de nomination, suivant décision du Conseil d'Administration."
- "Contrairement à la recommandation 3.9, qui précise que les comités spécialisés constitués par le Conseil d'administration ne devraient avoir qu'un pouvoir consultatif, le Conseil d'administration de *la société* a délégué une partie de ses pouvoirs décisionnaires au Comité de rémunération."

- In 5 companies, the nomination committee is associated with the remuneration committee, thus comprising the *nomination and remuneration committee*. All the companies publish the composition of this committee as well as the name of the chairman, the number of independent members, the number of non executive members, the number of executive members, the number of meetings, a description of the task of the committee and the terms of the evaluation of the performance. The rate of attendance of members at meetings of this committee are less well published.

Of the 5 companies, one explains why it has combined the two committees in one:

- "Le principe 4 des dix Principes de gouvernance d'entreprise de la Bourse de Luxembourg recommande la constitution d'un Comité de nomination et le principe 8, la constitution d'un Comité de rémunération. Pour des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de regrouper les deux comités en un seul, nommé : Comité de rémunération et de nomination".
- 6 other companies apply the "comply or explain" principle:
 - "The Board of Directors considers that, since the vast majority of its members are not remunerated by *the company*, the establishment of a remuneration committee is not necessary."
 - "The Company's Corporate Governance Charter is based on the Ten Principles of Corporate Governance published in 2006 by the Luxembourg Stock Exchange, although it differs in certain respects in order to take account of the specificities of the Company."
 - "Les rémunérations de la direction opérationnelle de *la société* sont fixées par les actionnaires de référence. Le Conseil d'Administration ne juge pas nécessaire la constitution d'un Comité de Rémunération. De même, pour

des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de ne pas constituer de Comité de Nomination."

- "Die Verwaltungsratsmitglieder erhalten keine Bonuszahlungen, Aktienoptionen oder sonstigen erfolgsorientierten Leistungsanreize. Anders als im Corporate Governance Kodex der Luxemburger Börse empfohlen gibt es deshalb keinen Vergütungsausschuss für die Festlegung der Bezüge und Entschädigungen der Verwaltungsratsmitglieder."
"Die Administrateurs-Délégués erhalten keine Bonuszahlungen, Aktienoptionen oder sonstigen erfolgsorientierten Leistungsanreize. Anders als im Corporate Governance Kodex der Luxemburger Börse empfohlen gibt es deshalb keinen Vergütungsausschuss für die Festlegung ihrer Vergütung."

It is to be noted that one of the above explanations is given for 3 companies.

- To our knowledge, 5 companies do not publish information in relation to a remuneration committee.

Of the 19 companies, all the companies publish information concerning the remuneration of members of the board and/or the executive management, e.g. percentage fees, directors' fees, the overall amount allocated to members of the board and so on. We note nonetheless that the amount of detail on remuneration varies considerably.

Of the 19 companies:

- Only 9 companies publish their remuneration policy.
- 11 companies publish an overall amount of remuneration allocated to non executive directors in their financial report. The 11 companies draw a distinction between the fixed and the variable part of that remuneration.
- 11 companies publish an overall amount of remuneration allocated to executive members. 10 companies draw a distinction between the fixed and the variable part of that remuneration.
- 14 companies disclose the number of shares and options granted to those same groups of people.

PRINCIPLE 9: Financial reporting, internal control and risk management

The board will establish strict rules, designed to protect the company's interests, in the areas of financial reporting, internal control and risk management.

Of the 19 companies:

- 16 companies have established an audit committee,
- To our knowledge, 3 companies do not have an audit committee.

The description of the task of this committee is always given. The names of the directors comprising it, the number of non executive members and the number of meetings is not always given. Companies also experience difficulties in publishing the name of the chairman, the number of independent members, the rate of attendance of members at meetings and the terms of the evaluation of performance.

With regard to this principle and the reading of the recommendations and guidelines relating thereto, we think it is important to state that in particular Recommendation 9.3. is not always followed:

Recommendation 9.3.

The audit committee should be composed exclusively of non executive directors.

It should contain a sufficient number of independent directors.

The chairman of the board should not chair the audit committee.

Some companies do not state the name of the chairman of the board and/or some companies do not mention the status of their board members – independent, non executive or executive members.

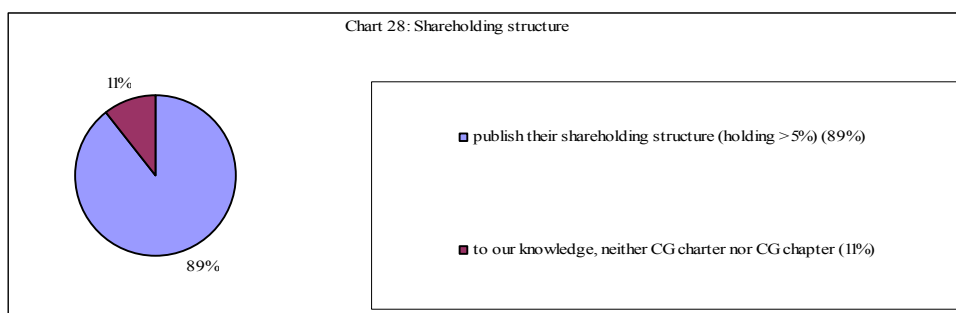
It is difficult to check application of the above recommendations.

PRINCIPLE 10: Shareholders

The company will respect the rights of its shareholders and ensure they receive equitable treatment.

The company will establish a policy of active communication with the shareholders.

a) Objective: to check publication of the share ownership structure



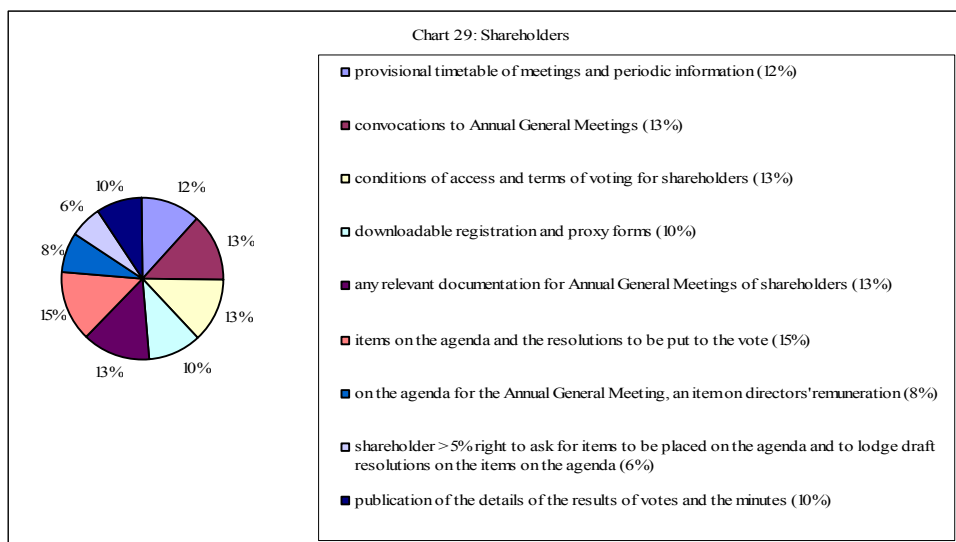
Of the 19 companies:

- 17 companies publish their shareholding structure 89%
- To our knowledge, 2 companies do not publish it 11%
- 2 companies – neither CG charter nor CG chapter 11%

Of the 17 companies which publish the shareholding structure, the release states:

- for 16 companies the number of shares issued
- for 16 companies the number of shares with voting rights
- for 12 companies the number of shares the company hold in itself
- for 17 companies the identity of the shareholders with a holding of 5% or more of the voting rights

b) Objective: to determine the publication of information to shareholders



The companies experience difficulties in publishing information for the attention of shareholders.

The following indications have been gathered using all the material placed at our disposal and no guarantee is given as to their exhaustiveness.

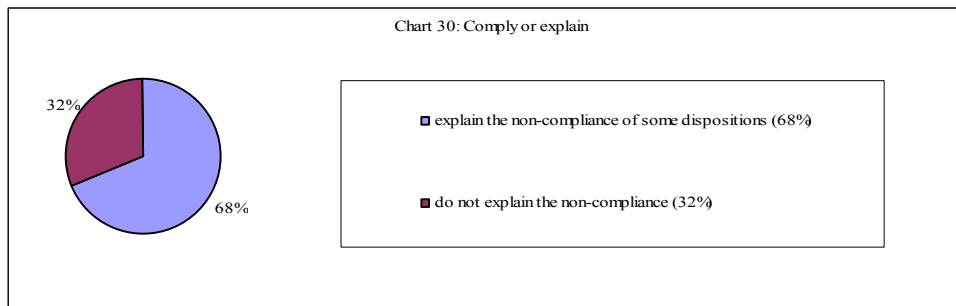
- 1) The provisional timetable of meetings and periodic information
15 companies publish this 12%
 - *devote a specific section of the website to the disclosure of the provisional timetable of meetings and periodic information*
- 2) The convocations to Annual General Meetings
17 companies publish this 13%
 - *devote a specific section of the website to the disclosure of convocations to Annual General Meetings*
- 3) The conditions of access and terms of voting for shareholders
16 companies publish this 13%
 - *devote a specific section of the website to the disclosure of the conditions of access and terms of voting for shareholders*
- 4) Downloadable registration and proxy forms
13 companies publish this 10%
 - *devote a specific section of the website to the disclosure of downloadable registration and proxy forms*
- 5) Any relevant documentation for Annual General Meetings of shareholders
17 companies publish this 13%
 - *devote a specific section of the website to the disclosure of any relevant documentation for Annual General Meetings of shareholders*
- 6) The items on the agenda and the resolutions to be put to the vote
18 companies publish this 15%
 - *in the convocation to an Annual General Meeting, the company should, in good time and taking account of the geographic dispersion of its shareholders, send all the shareholders the items on the agenda and the resolutions to be put to the vote*

- 7) on the agenda for Annual General Meeting, an item on directors' remuneration
10 companies publish this 8%
- *the company should place an item on the agenda for the Annual General Meeting on directors' remuneration*
- 8) Shareholder > 5% the right to ask for items to be placed on the agenda for the Annual General Meeting and to lodge draft resolutions on the items on the agenda on the day of the Annual General Meeting
8 companies publish this 7%
- *the company should acknowledge the right of any shareholder or group of shareholders holding at least 5% of the capital to ask for items to be placed on the agenda for the Annual General Meeting and to lodge draft resolutions on the items on the agenda on the day of the Annual General Meeting*
- Even though this is expressly provided by law of 24 May 2011 under Article 4, it should be noted that 2 companies recognize this right only to any shareholder or group of shareholders holding 10% of the capital.*
- 9) Publication of the detail of the results of votes and the minutes of an Annual General Meeting
12 companies publish this 10%
- *the company should post the detail of the results of votes and the minutes of an Annual General Meeting on its website without delay after this meeting.*

COMPLY OR EXPLAIN

A number of companies give explanations as to non-compliance with the Principles applying the "comply or explain" principle.

The system is extremely successful because it permits a number of companies to give the reasons for their non-compliance, which are extremely diverse and varied.



The chart shows that many companies use the "comply or explain" system but the level and quality of the explanations are variable.

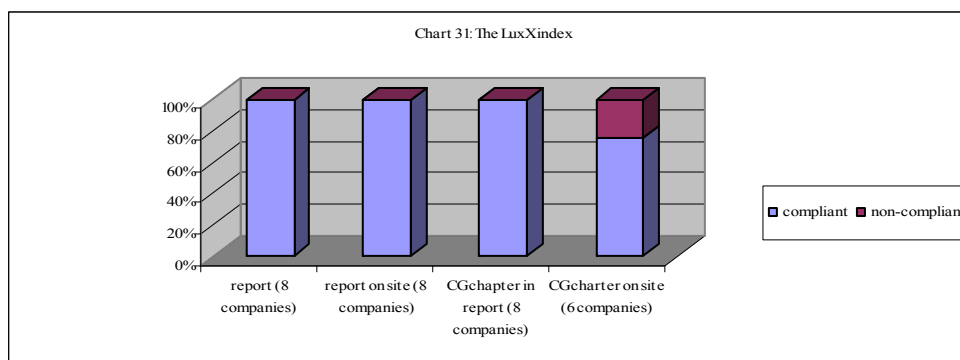
This study is limited to checking the existence of an explanation without checking its validity or foundation.

3) The LuxX index

The LuxX index is composed of 11 companies, of which 9 are Luxembourg companies (as at 31 December 2010).

The Principles are addressed only to Luxembourg companies, the shares of which are listed on the regulated market of the Luxembourg Stock Exchange: the present analysis is limited to the 9 companies included in the LuxX.

One company will hold its general meeting only in September. As the closing date is on 31 July, it does not appear in this report.



Analysis of the 8 companies permits the following observations:

- The Luxembourg Stock Exchange has received all the annual reports of the 8 companies examined.
- All the reports are available on the respective websites.
- All the companies publish a CG chapter in the annual report.
- 6 companies publish a CG charter on the website.
- Of the 8 companies analysed, all the companies apply the Principles and:
 - 1 company "continually monitors U.S., European Union and Luxembourg legal requirements and best practices in order to make adjustments to its corporate governance controls and procedures when necessary" ;
 - 1 company "respecte à la fois les "Dix Principes de Gouvernance d'entreprise" adoptés par la Bourse de Luxembourg et les règles de gouvernance appliquées par les sociétés cotées à Paris."
- All the companies publish their shareholding structure.

- 6 companies publish information in relation to independence criteria.
 - 1 company explains: "Toutefois en ce qui concerne les critères d'indépendance des administrateurs, le Conseil d'administration de *la société* considère, contrairement aux critères proposés par la recommandation 3.5 qu'un mandat de longue durée d'un administrateur est susceptible de constituer un avantage en raison de la connaissance approfondie que cet administrateur aura acquise durant ces années du Groupe *de la société*, sans que pour autant son esprit critique et/ou son indépendance s'en trouvent nécessairement compromis."
 - 1 company mentions: "Le conseil d'administration propose à l'Assemblée Générale des actionnaires la nomination des Administrateurs. Il spécifie le terme du mandat et vérifie que l'Administrateur réponde aux critères d'indépendance." The list of independence criteria is not published in the CG chapter.

- 6 companies publish provisions as to the policy for dealing with conflicts of interest.

- All the companies publish information in relation to insider dealing and 6 companies publish information in relation to the rules of behaviour obligations.

- All the companies publish the composition of the board, the name of the chairman, the number of meetings, the rate of attendance of members at meetings and the duties of the board. The publication of the details of non executive and/or executive members, likewise publication of the details of independent members and the terms of evaluation of performance is well respected. Companies experience difficulties in providing information on the training of directors.

- All the companies have established special committees:
 - 4 companies combine the nomination committee and the remuneration committee in one committee and have an audit committee.
 - 2 companies have a nomination committee and a remuneration committee, as well as an audit committee.
 - 2 companies explain:
 - "Actuellement les membres du comité de rémunération et de gouvernance font fonction de comité de nomination, suivant décision du Conseil d'Administration."
 - "Contrairement à la recommandation 3.9, qui précise que les comités spécialisés constitués par le Conseil d'administration ne devraient avoir qu'un pouvoir consultatif, le Conseil d'administration de *la société* a délégué une partie de ses pouvoirs décisionnaires au Comité de rémunération."
 - 2 companies only have an audit committee but explain:
 - "Les rémunérations de la direction opérationnelle de *la société* sont fixées par les actionnaires de référence. Le Conseil d'Administration ne juge pas nécessaire la constitution d'un Comité de Rémunération. De même, pour des raisons pragmatiques et en raison de la taille de la Société, le Conseil d'Administration a choisi de ne pas constituer de Comité de Nomination."

- The provisions relating to publication of the composition of committees, independent, non executive and/or executive members and the number of meetings are well respected. Companies experience difficulties in publishing the name of the chairman of the committees, the rate of attendance of directors at meetings and the terms of their evaluation of the performance of this committee.
- 6 companies publish the composition of their executive management.
- All the companies publish information concerning remuneration.
- The information to shareholders such as the provisional timetable of meetings and periodic information, convocations to Annual General Meetings, the conditions of access and terms of voting for shareholders have been published by almost all the companies.

4) Conclusion

On the basis of an analysis of the public documents, namely the annual reports, CG chapters, CG charters and websites of the companies, it should be observed that the essential sections are followed by the majority of companies.

The analysis shows that the last two years, the results remain stable. Those results include the obligations of publication, such as the publication of a CG charter, the publication of the shareholder structure and the establishment of specialized committees.

One company has improved the results of this year by publishing a CG chapter in the annual report.

It should be noted that all the companies publish the composition of their board.

Companies show satisfactory results regarding the publication of the composition of the management structure, the publication of the duties of the board and the publication of the summary curriculum vitae of each director.

The study shows that efforts are required on the following principles:

- only 52% of the companies publish the criteria for evaluating the independence of directors (principle 3),
- information on training are still inadequate in view of the requirements of principle 3 of the composition of the board,
- the publication requirement of a mechanism with regard to the policy for dealing with conflicts of interest is only observed by 68% of the companies (principle 5),
- the level of evaluation of the performance of the board remains very unsatisfactory with only 57% of companies which publish on this subject,
- of the 16 companies that mention the existence of one or more specialized committees, 10 companies publish information on the evaluation of the performance of the specialized committees,
- the companies are struggling to provide the necessary information and/or useful for shareholders in light of the requirements of principle 10.

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