



Bourse de
Luxembourg

Report on the application of the Ten Principles of Corporate Governance during the 2011 financial year

INTRODUCTION

The present report analyses the application in 2011 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 2011 financial year, which was the object of the last annual report. It also takes account of data available on websites during the year 2012.

It is important to note that the Ten Principles of Corporate Governance came into force officially on the 1st of January 2007 and that a revised version came into force officially on the 1st of October 2009 and is applicable from the 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 21 Luxembourg companies listed on the regulated market of the Luxembourg Stock Exchange. The present report is on the situation as at 30 June 2012.

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 30 June, it does not appear in this report.

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

The objective 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. It is assumed that companies should apply the Principles or explain the reasons for any divergence or non-application. The latter option, i.e., the non-application of a Principle by providing explanations, does not imply 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 previous year

Compared to the study of 2010 financial year, this report also analyzes the following points:

- indication of when the CG charter was last updated (principle 1)
- number of board meetings (principle 2)
- information in relation to "devote necessary time and limit directorship" (principle 2)
- information in relation with the conflicts of interest (principle 5)
- information with regard to the evaluation of the performance of the board and of the specialized committees (principle 6)

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.

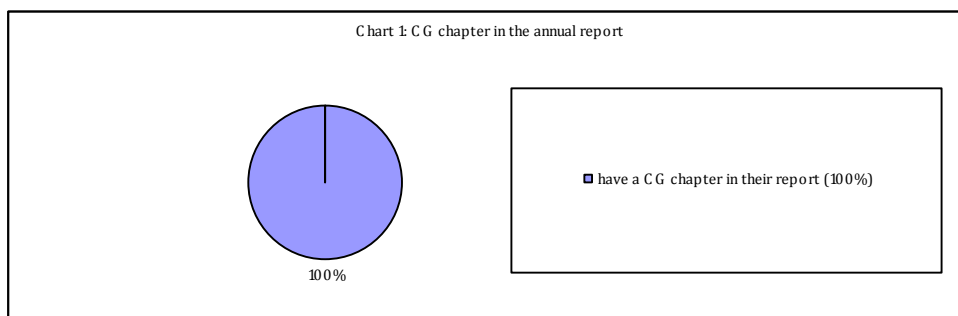
a) Publication of a CG chapter and/or a CG charter

Of the 18 companies,

- 12 companies publish a CG chapter in their annual report and a CG charter on their website,
- 6 companies publish a CG chapter in their annual report but no CG charter on their website.

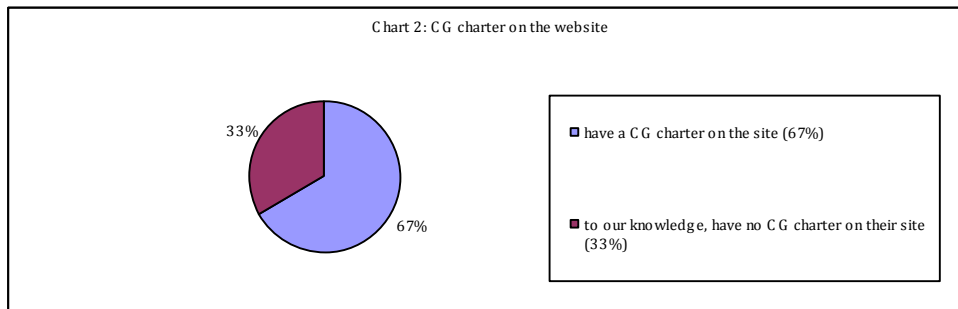
The detail of the situations is given below:

- *CG chapter in the annual report*

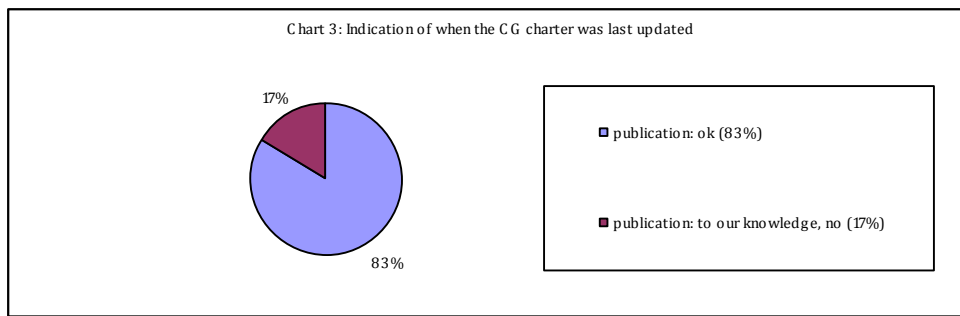


- 18 companies out of 18 publish a CG chapter in their annual report.

- *CG charter on the website*



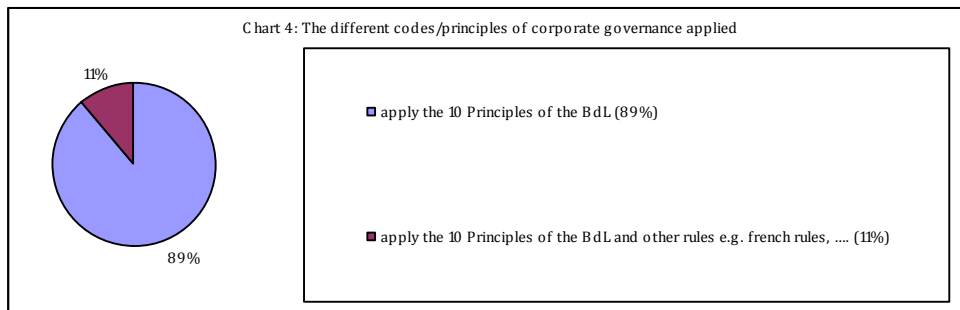
- 12 companies out of 18 publish a CG charter on their website.
- The 6 companies, which do not have a CG charter, however, provide general information on their website about corporate governance (e.g. composition of the board of directors, composition of committees,...).



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

- 10 companies publish the date of the last update 83%
- To our knowledge, 2 companies do not publish it 17%

b) The different codes/principles of governance applied



It emerges that out of the 18 companies analysed, all the companies have applied principles of corporate governance.

The results indicate that 16 companies (out of 18) have applied the Principles.

Here is the detail for the remaining 2 companies:

- 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 la Gouvernance d'entreprise" adoptés par la Bourse de Luxembourg (...) et les règles de gouvernance appliquées par les sociétés cotées à Paris (...)".

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

It is to be noted that this part analyses the 18 Luxembourg companies listed on the regulated market, even those which state that they apply the Principles and other codes/principles of corporate governance.

The study analyses data available publicly:

- in the annual report for the year 2011,
- in the CG chapter of the annual report for the year 2011,
- 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,
- 6 companies have a CG chapter in their report, but do not publish a CG charter on their website.

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

100% 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.

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 1.6. is not always followed:

Recommendation 1.6.

The CG Charter should be updated as often as necessary to accurately reflect at all times the company's corporate governance framework. It should be posted on the company's website, with an indication of when it was last updated.

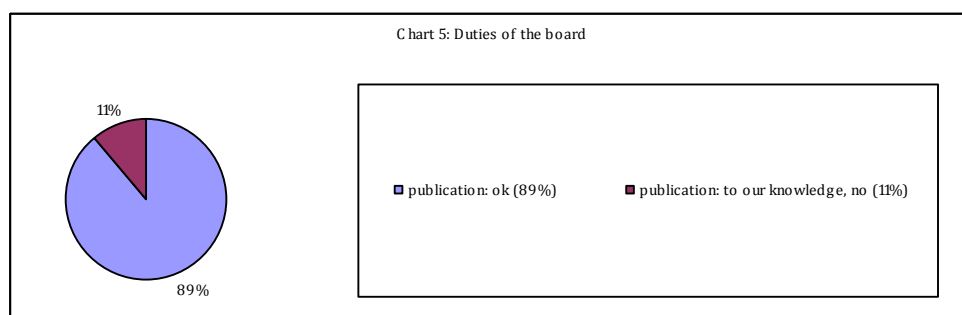
2 companies do not indicate when it was last updated. It is to be noted that 6 companies changed their CG Charter relative to 2010.

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 18 companies:

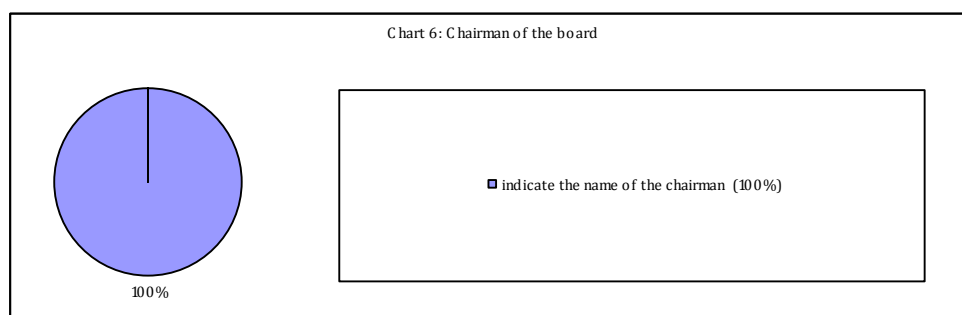
- 16 companies publish the duties of the board 89%
- To our knowledge, 2 companies do not publish them 11%

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*

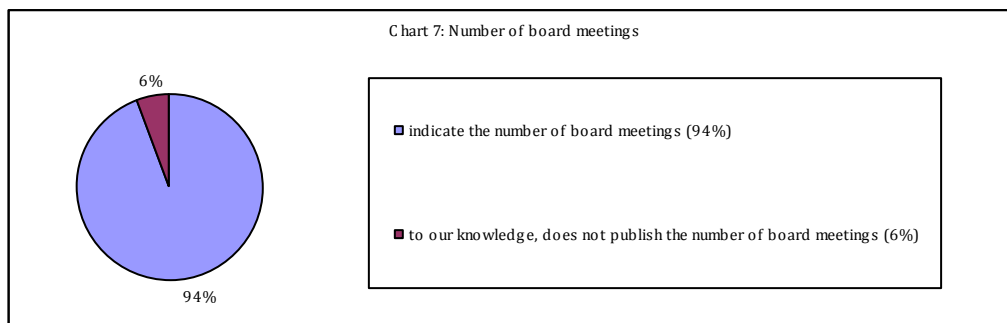


Of the 18 companies:

- All the companies publish the name of the chairman of the board 100%
- For 4 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. 3 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. The combination of these roles was revisited at the annual general meeting of shareholders of the company held in May 2011, when *the President of the Board* was re-elected to the board of directors for another three year term by a strong majority."
- "In derogation of the recommendation 1.3 of the Principle 1 of the Ten Principles of Corporate Governance, the executive management and the chairman of the Board is entrusted to the same person."
- "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."

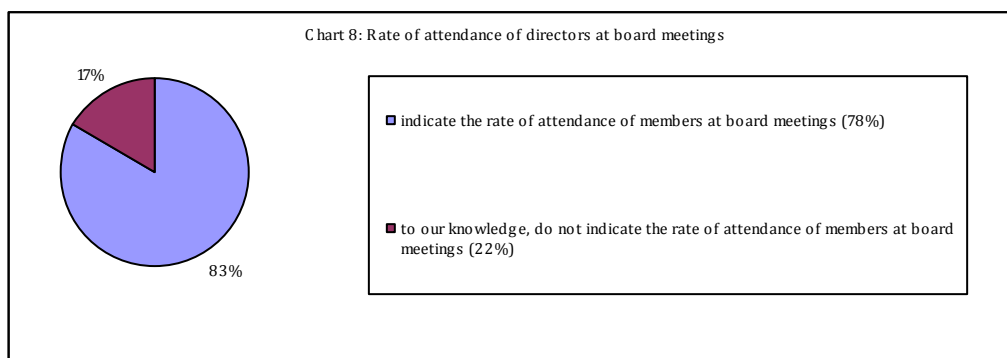
c) Objective: to check publication of the number of board meetings



Of the 18 companies:

- 17 companies publish the number of board meetings 94%
- The board of directors of one company met twice, all others met at least quarterly.
- To our knowledge, 1 company does not publish it 6%

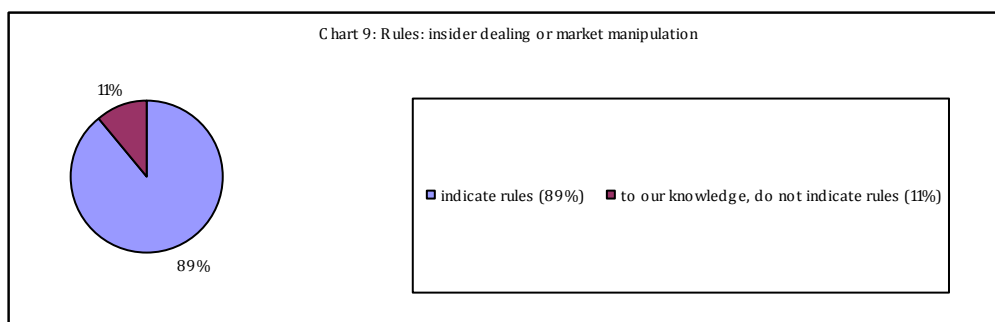
d) Objective: to check whether the rate of attendance of directors at board meetings is published



Of the 18 companies:

- 15 companies publish the rate of attendance of directors at board meetings 83%
Some companies even state the rate of attendance for each of the directors or explain the reason for their absence.
- To our knowledge, 3 companies do not publish it 17%

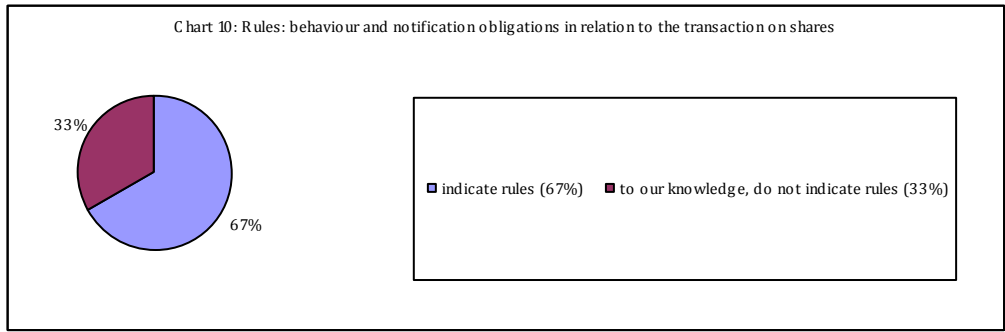
e) Objective: to check whether the board adopts appropriate rules to avoid its members and the company's employees becoming guilty of insider dealing or market manipulation



Of the 18 companies:

- 16 companies publish rules 89%
- To our knowledge, 2 companies do not publish rules 11%

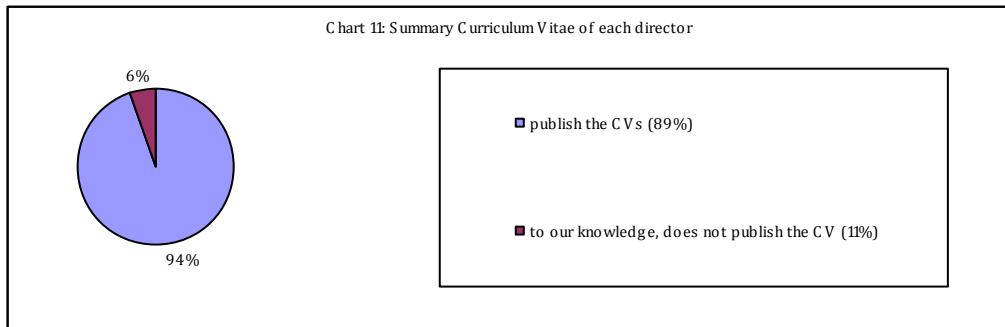
f) Objective: to check whether the board formulates a set of rules regulating the behaviour and notification obligations in relation to transactions in the company's shares and other financial instruments carried out on their own account by directors and other individuals bound by these obligations



Of the 18 companies:

- 12 companies publish rules 67%
- To our knowledge, 6 companies do not publish rules 33%

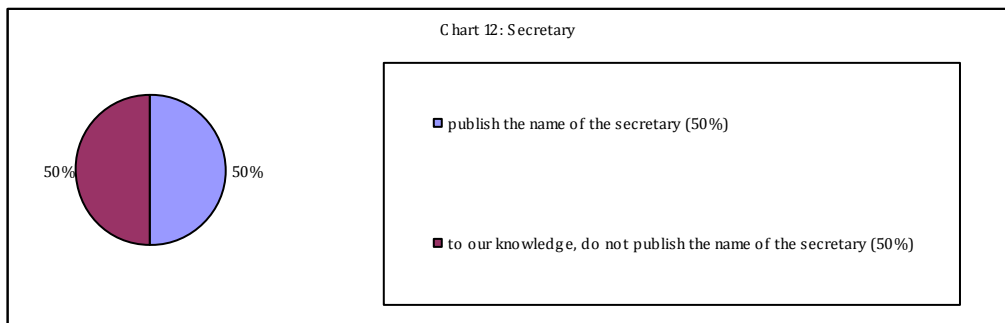
g) Objective: to check publication of a summary curriculum vitae of each director in order to take account of the experience required and directorships in other companies



Of the 18 companies:

- 17 companies publish the CVs 89%
 - 1 company does not publish the CV of each director
 - 1 company only publishes the "autres mandats exercés par les mandataires sociaux"
 - 3 companies only publish the "autres mandats exercés par les mandataires sociaux dans des sociétés cotées"
- To our knowledge, 1 company does not publish it 11%

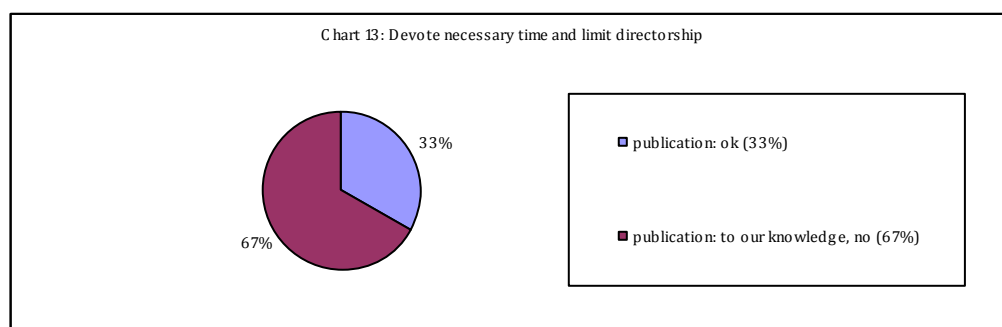
h) Objective: to check publication of the name of the secretary



Of the 18 companies:

- 9 companies publish the name of the secretary 50%
- To our knowledge, 9 companies do not publish it 50%

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 18 companies:

- 6 companies publish the information 33%
- To our knowledge, 12 companies do not publish it 67%

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 2.9. is not always followed:

Recommendation 2.9.

Each director should undertake to devote the necessary time and attention to his duties and to limit his other professional commitments (in particular directorship held with other companies) to the extent necessary for him to be able to properly discharge his duties.

Only 6 companies publish the information on this subject.

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

- "Avant d'accepter un mandat, chaque administrateur s'assure de ce qu'il dispose des compétences et de la disponibilité nécessaires afin de mener à bien sa mission dans l'intérêt de la Société."
"Les membres du conseil d'administration s'engagent à consacrer à leurs fonctions le temps et l'attention requis dans la mesure nécessaire pour pouvoir s'acquitter correctement de leurs tâches."
- "Les administrateurs doivent en outre informer le Conseil d'administration des mandats qu'il détiennent ou qu'il seraient amenés à détenir dans des sociétés, cotées ou non, ne faisant pas partie du Groupe de la société. Tout membre du Conseil d'administration doit avoir la disponibilité nécessaire à l'accomplissement de ses obligations d'Administrateur. A cet effet, un Administrateur devrait limiter le nombre de mandats d'Administrateurs dans des sociétés cotées, ceux-ci ne devant pas dépasser le nombre de cinq (...), sauf dérogation accordée par le Conseil d'administration."
- "There are no staggered elections of Directors and there is no limit on the number of terms that may be served."

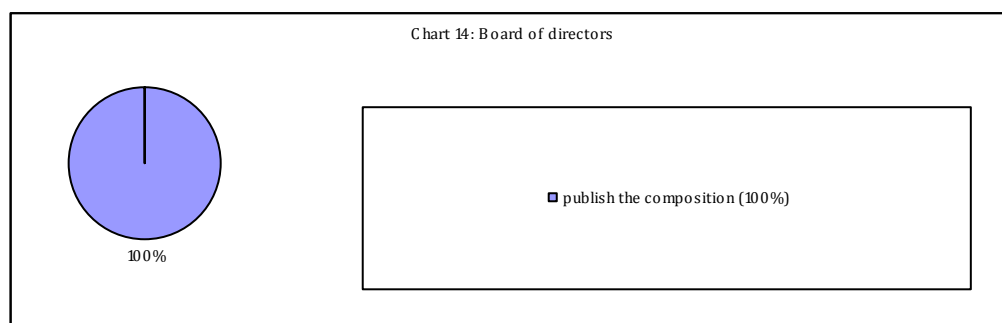
- "Tout membre du Conseil d'Administration doit avoir la disponibilité nécessaire à l'accomplissement de ses obligations d'Administrateur. A cet effet, un Administrateur devrait limiter le nombre de mandats d'Administrateur dans des sociétés cotées, ceux-ci ne devant pas dépasser le nombre de cinq (...), sauf dérogation accordée par le Conseil d'Administration."
- "Jedes Verwaltungsratsmitglied achtet darauf, dass ihm für die Wahrnehmung seines Mandats genügend Zeit und Aufmerksamkeit zur Verfügung steht. Sonstige berufliche Verpflichtungen, insbesondere Mandate in anderen Gesellschaften, dürfen nicht dazu führen, dass es seine Aufgaben nicht ordnungsgemäß wahrnehmen kann."
- "Les Administrateurs s'engagent à consacrer à l'exercice de leur mandat le temps et l'attention nécessaires et à limiter le nombre de leurs autres engagements professionnels, notamment les mandats dans d'autres sociétés afin de mener à bien leur mission dans l'intérêt de la Société. Ils se doivent de défendre la position du Conseil d'administration sur la stratégie, les politiques et les activités de la Société. Les Administrateurs informent le Secrétaire du Conseil d'administration de tout autre mandat, charge ou responsabilité – y compris les fonctions exécutives – et modifications de leurs engagements en dehors de leur mandat exercé au sein de la Société."

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 18 companies:

- All the 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:

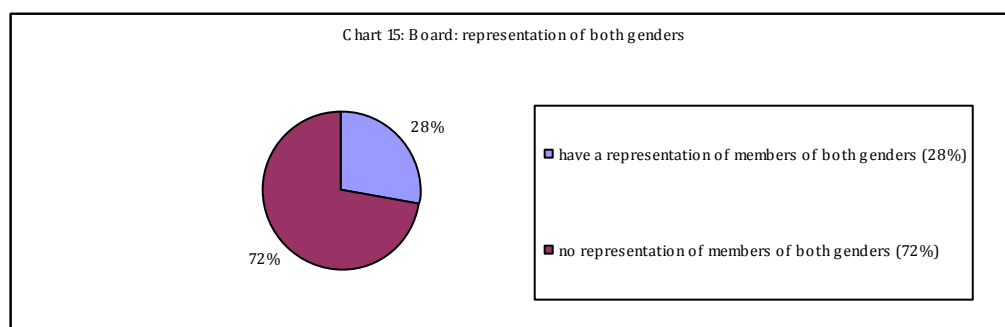
Recommendation 3.2.

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 18 companies:

- 5 companies have a representation of members of both genders 28%
- 13 companies do not have a representation of members of both genders 72%

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:

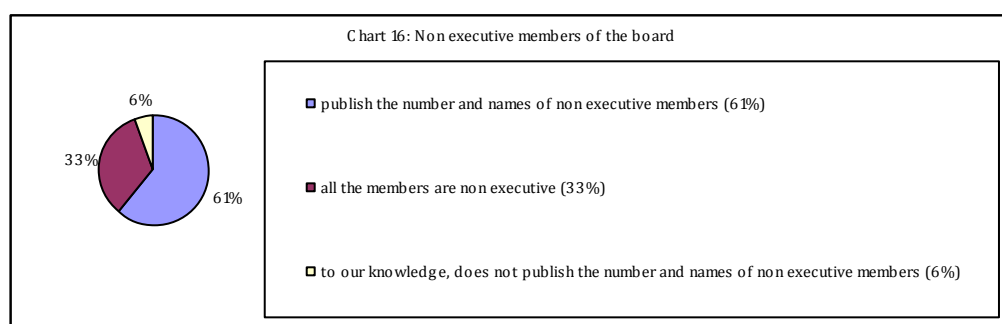
Recommendation 3.1.

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.

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

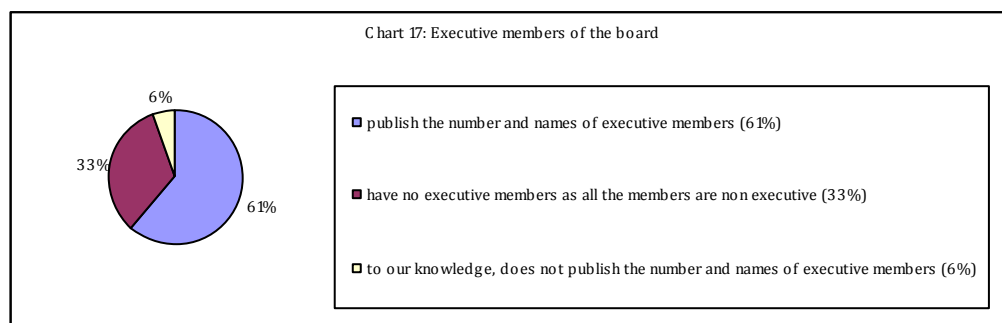
c) Objective: to check publication of the number and names of non executive members of the board



Of the 18 companies:

- 17 companies publish the number and names of non executive members 94%
- In 6 companies, all the members are non executives.
- To our knowledge, 1 company does not publish these 6%

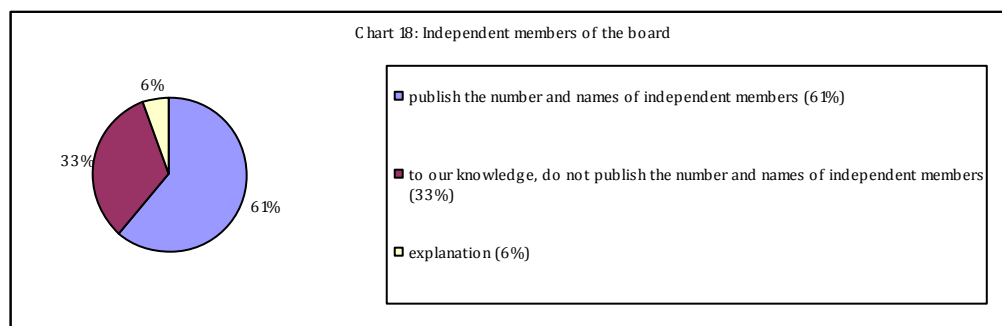
d) Objective: to check publication of the number and names of executive members of the board



Of the 18 companies:

- 17 companies publish the number and names of executive members 94%
- In 6 companies, all the members are non executives.
- To our knowledge, 1 company does not publish these 6%

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

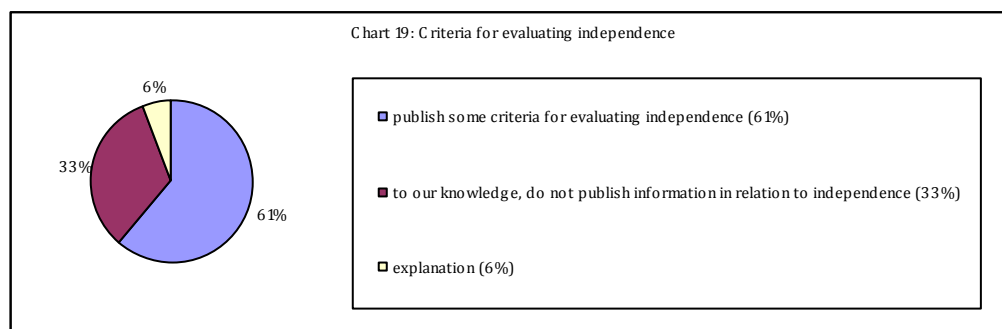


Of the 18 companies:

- 11 companies publish the number and names of independent members 61%
- To our knowledge, 6 companies do not publish these 33%
- 1 company gives the following explanation: 6%

"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)."

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



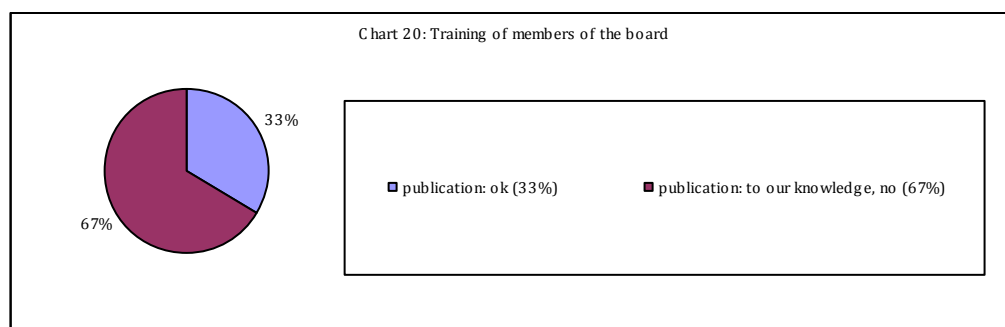
Of the 18 companies:

- 11 companies publish a definition of the notion of independence 61%
 - 3 companies explain as follows:
 - "La Charte diffère des X Principes de gouvernance en ce qu'elle consacre pas la perte d'indépendance de l'administrateur ayant siégé au Conseil d'Administration pendant plus de 12 ans. En effet, la structure du Conseil et de la relation du Conseil avec la direction garantissent en tout temps la distance et l'attitude critique nécessaires à assurer la qualité d'indépendance des administrateurs."
 - "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 (v. annexe D, paragraphe h) des Dix Principes), 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."
 - "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 par un administrateur ou membre d'un comité spécialisé apporte une plus-value à la Société et montre une certaine stabilité au sein de la gouvernance de la Société."
 - 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 réponde aux critères d'indépendance." L'énumération des critères d'indépendance n'est pas publiée dans le chapitre GE.
- To our knowledge, 6 companies do not publish information on this subject 33%
- 1 company explains: 6%

"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 not always possible to know the degree of independence of the chairmen and members of special committees, as 6 companies do not specify whether the directors are considered to be independent.

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



Of the 18 companies:

- 6 companies provide information on the training of directors 33%
- To our knowledge, 12 companies do not publish information 67%

Only 6 companies (33%) communicate regarding the training of directors, and their professional experience has not been considered.

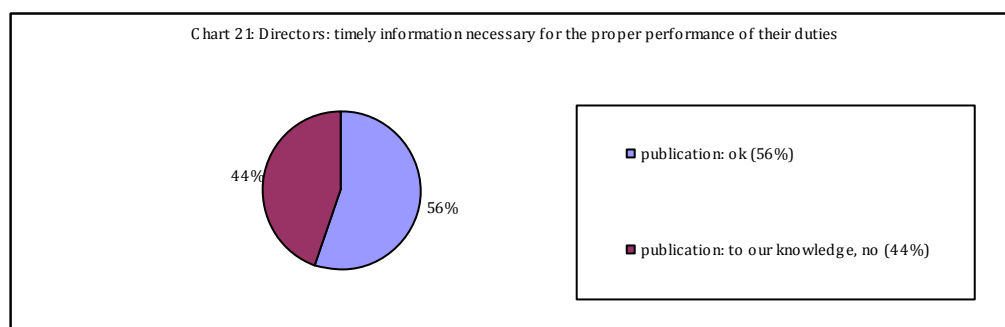
The companies that publish (annual report or CG charter), state:

- "The Board of Directors believes that its members have the appropriate range of skills, knowledge and experience necessary to enable them to effectively fulfill their duties. To enhance these skills, the Board of Directors intends to approve a continuing education program for its members. The topics addressed through the program will include areas of importance for our future growth and development (e.g., strategy, marketing, human resources, industrial development, research and development, sustainability, corporate governance, legal and regulatory). Additional topics may be added at the request of the members of the Board of Directors. The continuing education program is expected to consist 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 will 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 will have a yearly budget dedicated to the continuing education program."
- "To further bolster the skills of its members, the board of directors launched a continuous education program in 2009. 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, corporate responsibility, 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. In 2011, the directors attended a total of four presentations made to them by internal specialists on specific areas of activity or corporate functions (e.g. human resources, the Flat Carbon Europe segment) to enhance the directors' knowledge in these areas and give them the opportunity to ask questions directly to line managers. Site visits in France and Luxembourg were also conducted by members of the board of directors."
- "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 ;"
- "Die Verwaltungsratsmitglieder tragen Sorge dafür, dass sie ihre Kompetenzen, Fähigkeiten und Erfahrungen auf dem neuesten Stand halten und ihre Kenntnisse über die Gesellschaft ständig entwickeln. 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 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 18 companies:

- 10 companies provide information on this subject 56%
- To our knowledge, 8 companies do not publish this information 44%

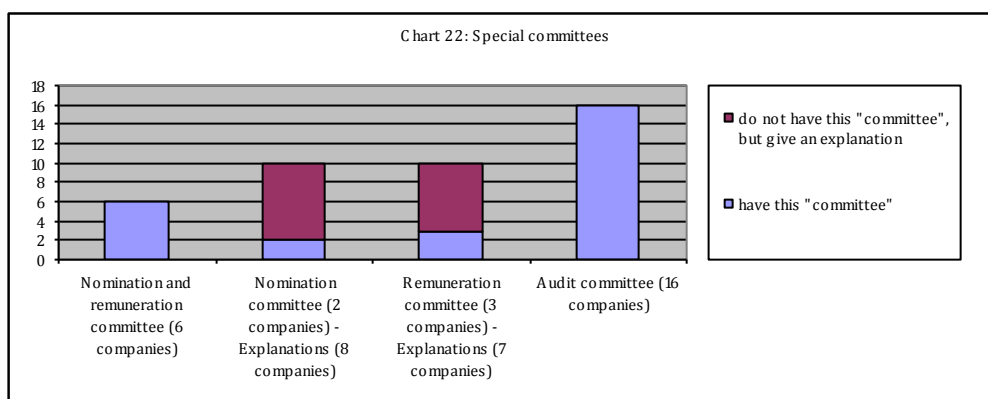
The companies, which provide information on this subject, mention that:

- 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

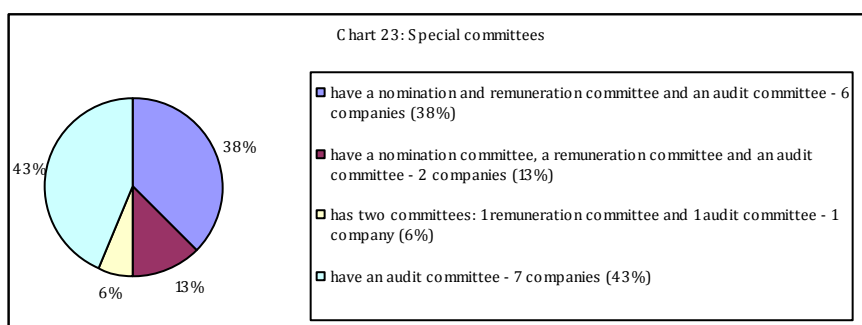
Of the 18 companies:

- 16 companies (89%) 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, 2 companies (11%) do not mention the existence of one or more special committees.



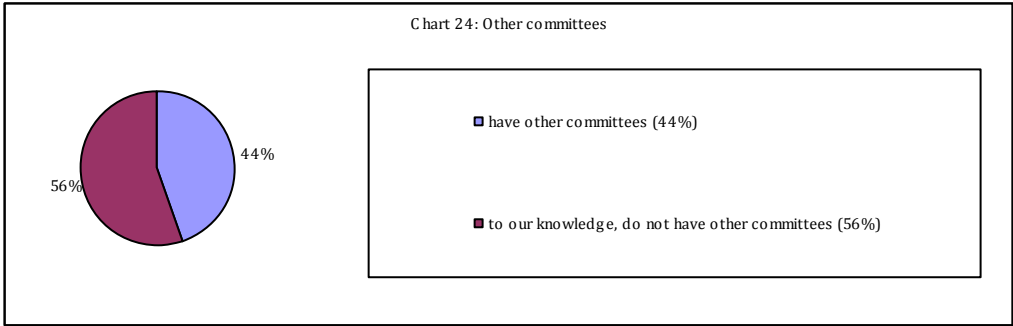
Of the 16 companies mentioning the existence of one or more special committees, the analysis permits an observation to be made of the existence of:

- 6 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:

- 6 companies (38%) 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 nomination"."
- 2 companies (13%) have a nomination committee, a remuneration committee and an audit committee.
- 1 company (6%) has 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."
- 7 companies (43%) have only one committee, the audit committee.



Of the 18 companies:

- 8 companies have other committees 44%
- To our knowledge, 10 companies do not have other committees 56%

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 18 companies:

- 2 companies have established a nomination committee. The names of the directors comprising it, the name of the chairman, the number of independent members, the number of non executive members, the number of meetings, the rate of attendance of members at meetings and a description of the task of the committee are given. The terms of the evaluation of the performance of this committee are not always given.

One company comments as follows : "Actuellement les membres du comité de rémunération et de gouvernance font fonction de comité de nomination, suivant décision du Conseil d'Administration."

- For 6 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. One company does not publish the rate of attendance of members at meetings.

Of the 6 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 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."
 - "It 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."
 - "No Nomination Committee has been created as relevant decisions are prepared directly by the Board."
 - "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 Auswahlsausschuss zur Nominierung der Mitglieder, keine begleitende Empfehlung des Verwaltungsrats zu Vorschlägen für die Wahl von Mitgliedern)."

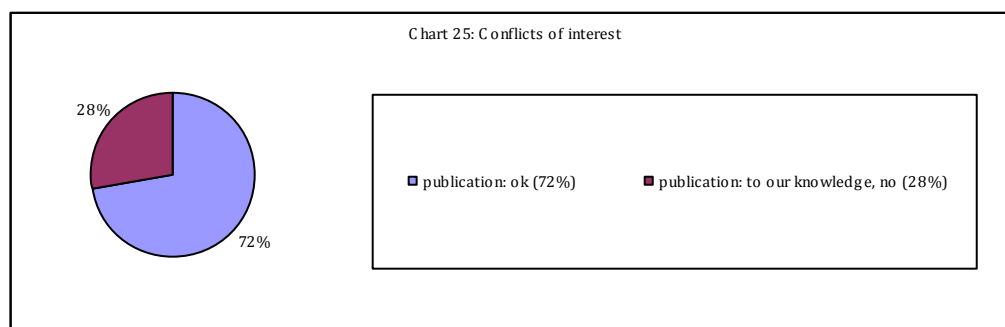
It is to be noted that one of the above explanations is given for 3 companies.

- To our knowledge, 3 companies do not publish information relating 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 18 companies:

- 13 companies (72%) 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, 5 companies (28%) do not publish a mechanism.

The companies that publish (annual report and/or CG charter), state:

- "Ethics and conflicts of interest are governed by *the company's* Code of Business Conduct, which establishes the standards for ethical behavior that are to be followed by all employees and directors of *the company* in the exercise of their duties. They must always act in the best interests of *the company* and must avoid any situation in which their personal interests conflict, or could conflict, with their obligations to *the company*. As employees, they must not acquire any financial or other interest in any business or participate in any activity that could deprive *the company* of the time or the attention needed to devote to the performance their duties. Any behavior that deviates from the Code of Business Conduct is to be reported to the employee's supervisor, a member of the management, the head of the legal department or the head of the combined assurance department. Code of Business Conduct training is offered throughout *the company*. All new employees of *the company* must acknowledge the Code of Business Conduct in writing upon joining and are periodically trained about the Code of Business Conduct. The Code of Business Conduct is available in the (...) section of *the company's* website at (...)."
- "Ethics and conflicts of interest are governed by *the company's* code of business conduct, which establishes the standards for ethical behavior that are to be followed by all employees and directors of *the company* in the exercise of their duties. They must always act in the best interests of *the company* and must avoid any situation in which their personal interests conflict, or could conflict, with their obligations to *the company*. Employees are prohibited from acquiring any financial or other interest in any business or participate in any activity that could deprive *the company* of the time or the attention needed to devote to the performance of their duties. Any behavior that deviates from the code of business conduct is to be reported to the employee's supervisor, a member of the management, the head of the legal department or the head of the internal assurance department."

- "Les administrateurs prennent leurs décisions dans l'intérêt de la Société. Conformément à l'article 57 de la loi du 10 août 1915 concernant les sociétés commerciales, telle que modifiée, chaque administrateur veille à éviter toute opposition d'intérêt avec la Société ou une société contrôlée par celle-ci. Il informe le Conseil d'Administration des oppositions d'intérêt quand elles surviennent et s'abstient de délibérer et de voter sur le point concerné conformément aux dispositions légales en la matière. Toute abstention motivée par une opposition d'intérêts est mentionnée au procès-verbal de la réunion et communiquée conformément aux dispositions légales en vigueur. En cas d'incertitude sur le caractère d'une opération susceptible d'engendrer un conflit d'intérêt dans son chef, l'administrateur consulte le président du comité d'audit ou le président du Conseil d'Administration. Les dispositions des alinéas qui précèdent ne sont pas applicables lorsque les décisions du Conseil d'Administration ou de l'administrateur concernent des opérations courantes et conclues dans des conditions normales. Aucun contrat et aucune transaction que la Société pourra conclure avec d'autres sociétés ou firmes ne pourra être affecté ou invalidé par le fait qu'un ou plusieurs administrateurs, directeurs ou fondés de pouvoir auraient un intérêt quelconque dans telle autre société ou firme ou par le fait qu'ils seraient administrateurs, associés, directeurs, fondés de pouvoir ou employés de cette autre société ou firme."

"Les administrateurs prennent leurs décisions dans l'intérêt de la Société. Conformément à l'article 57 de la loi du 10 août 1915 concernant les sociétés commerciales, telle que modifiée, chaque administrateur veille à éviter toute opposition d'intérêt avec la Société ou une entité contrôlée par celle-ci. Il informe le conseil d'administration des oppositions d'intérêt quand elles surviennent et s'abstient de délibérer et de voter sur le point concerné conformément aux dispositions légales en la matière. Toute abstention motivée par une opposition d'intérêt est mentionnée au procès-verbal de la réunion et communiquée conformément aux dispositions légales en vigueur. En cas d'incertitude sur le caractère d'une opération susceptible d'engendrer un conflit d'intérêt dans son chef, l'administrateur consulte le président du comité d'audit ou le président du conseil d'administration. Les dispositions des alinéas qui précèdent ne sont pas applicables lorsque les décisions du conseil d'administration ou de l'administrateur concernent des opérations courantes et conclues dans des conditions normales. Aucun contrat et aucune transaction que la Société pourra conclure avec d'autres sociétés ou firmes ne pourra être affecté ou invalidé par le fait qu'un ou plusieurs administrateurs, directeurs ou fondés de pouvoir auraient un intérêt dans telle autre société ou firme ou par le fait qu'ils seraient administrateurs, associés, directeurs, fondés de pouvoir ou employés de cette autre société ou firme. Pendant la durée de son mandat au sein du conseil d'administration de la Société, chaque administrateur informe le président du conseil d'administration de tout autre mandat, charge ou responsabilité qu'il viendrait à assumer dans d'autres sociétés et qui est susceptible d'entraîner une opposition d'intérêt (actuelle ou future) avec son mandat d'administrateur de *la société*."

- "A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member or his or her family, receives improper personal benefits as a result of his or her position in the Company. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest must be discussed with the Code of Ethics Contact Person. Service to the Company must never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided. Such situations, if material, must always be discussed with the Code of Ethics Contact Person. Anything that would present a conflict for a director, officer or employee would likely also present a conflict if it is related to a member of his or her family."

- "Les Administrateurs prennent leurs décisions dans l'intérêt de la société. Conformément aux dispositions légales en la matière, ils s'abstiennent de participer à toute délibération ou décision soulevant un conflit entre leurs intérêts personnels et ceux de *la société* ou une autre société du Groupe de *la société*. Les membres du Conseil veillent à éviter toute action, position ou tout intérêt étant ou susceptible d'être en conflit avec les intérêts de *la société* ou une société contrôlée par celle-ci. En cas de survenance d'un conflit d'intérêts, le(s) Administrateurs concerné(s) en

informe(nt) aussitôt le Conseil d'administration. Il(s) informent en outre le Président du Conseil de tout conflit d'intérêts potentiel. En cas de conflit d'intérêts déclaré, l'opération ou la transaction concernée est soumise par le membre du Conseil, après information du Président du Conseil d'administration, au Comité d'Audit, de Compliance et de Gestion des Risques ou au réviseur d'entreprises agréé ou à un expert externes, si possible avant sa réalisation. L'avis de ces derniers est communiqué au Conseil d'administration. Toute abstention motivée par un conflit d'intérêt est mentionnée au procès-verbal de la réunion du Conseil. Conformément à la loi, il en sera en outre spécialement rendu compte, à la première Assemblée générale des Actionnaires, avant tout vote sur d'autres résolutions."

"Tout administrateur qui a un intérêt opposé à celui de la société, dans une affaire soumise à l'approbation du conseil d'administration, est tenu d'en prévenir le conseil et de faire mentionner cette déclaration au procès-verbal de la séance. Un tel administrateur ne peut prendre part ni aux délibérations ni au vote sur cette affaire. Cette disposition ne s'applique pas lorsque la décision à prendre concerne des opérations courantes et conclues dans des conditions normales."

- "The Directors must act in the best interests of the Company. Should a conflict of interest arise with regard to a matter submitted for the Board's approval, the Director concerned must inform the Board. He/she will not take part in the discussion or vote on this matter. Any such conflict of interest is recorded in the minutes of the meeting. The General Meeting of Shareholders is informed of such conflicts of interest as may be required by law."

- "Les Administrateurs prennent leurs décisions dans l'intérêt de la société. Conformément aux dispositions légales en la matière, ils s'abstiennent de participer à toute délibération ou décision soulevant un conflit entre leurs intérêts personnels et ceux de *la société* et/ou de ses filiales. Les membres du Conseil veillent à éviter toute action, position ou tout intérêt étant ou susceptible d'être en conflit avec les intérêts de *la société* ou une société contrôlée par celle-ci. En cas de survenance d'un conflit d'intérêts, le(s) Administrateurs concerné(s) en informent aussitôt le Conseil d'Administration. Ils informent en outre le Président du Conseil de tout conflit d'intérêt potentiel. Toute abstention motivée par un conflit d'intérêt est mentionnée au procès-verbal de la réunion du Conseil. Conformément à la loi, il en sera en outre spécialement rendu compte, à la première Assemblée Générale des Actionnaires, avant tout vote sur d'autres résolutions. Les dispositions qui précèdent ne sont pas applicables si les décisions du Conseil d'administration concernent des opérations courantes et conclues dans des conditions normales."

- "Un administrateur ayant des intérêts opposés à ceux de la société dans une affaire soumise à l'approbation du Conseil sera obligé d'en informer le Conseil et de se faire donner acte de cette déclaration dans le procès-verbal de la réunion. Il ne peut prendre part aux délibérations afférentes du Conseil. Lors de la prochaine Assemblée générale des actionnaires, avant de procéder au vote de toute autre question, les actionnaires seront informés des matières où un administrateur a un intérêt opposé à celui de la société. Au cas où un membre du Conseil d'administration a dû s'abstenir pour intérêt opposé, les résolutions prises à la majorité des autres membres du Conseil présents ou représentés à la réunion et qui votent seront tenues pour valables."

- "Any director who may, with respect to a transaction submitted to the approval of the Board of Directors, have an interest adverse to that of the Company, shall so notify the Board of Directors and cause such notification to be reflected in the minutes of that meeting. He shall not deliberate on any such transaction. Specially reported at the next succeeding general meeting, prior to any other agenda, shall be those transactions in which a director may have had an interest adverse to that of the Company."

"Each Director, who has a direct or indirect interest contrary to the Company's interest in a matter submitted to the approval of the Board, must inform the Board. This declaration is registered with the minutes of the meeting. Such director may not vote on this matter."

- "The members of the Board of directors are obliged to act in the interest of the Company and may not pursue any personal interests with their decision-making. In relation to any transaction, submitted for approval to the Board of directors or any committee of the Board of directors conflicting with that of the Company, a director having a personal interest shall notify the Board of directors or any committee of the Board of directors and shall not participate in any discussions or vote of the Board of directors or any committee of the Board of directors, and the decision

shall be taken by simple majority of the voting directors. In relation to any transaction between the Company or any of its Subsidiaries, on the one hand, and any of the shareholders or any of their respective Subsidiaries on the other hand, except for transactions in the day-to-day business of the Company and its Subsidiaries and which do not require the approval of the Board of directors, the Board of directors will review that such transaction is at arm's length terms. The Board of directors shall – at the request of at least two directors – designate an expert, who will advise and confirm to the Board of directors that the terms and conditions of the contemplated transaction are at arm's length. The decision shall be taken by simple majority of the voting directors."

- "Each Director, who has a direct or indirect interest contrary to the Company's interest in a matter submitted to the approval of the Board, must inform the Board. For this purpose, an indirect opposed interest exists when a director is a director, manager or counselor in an entity which has an opposed interest. This declaration is registered with the minutes of the meeting. Such director may not vote on this matter."

"In the event that a member of the Audit and Risk Committee faces a potential or actual conflict of interest with respect to a matter before the Committee, that Committee member will be responsible for alerting the Chairperson of the Audit and Risk Committee and in the case where the Chairperson of the Committee faces a potential or actual conflict of interest, he will advise the Chairperson of the Board. In the event that the Chairperson of the Committee, or the Chairperson of the Board, concurs that a potential or actual conflict of interest exists, and the Committee would not have the necessary quorum as a result, an independent substitute Board Director shall be appointed as a member of the Audit and Risk Committee until the matter, posing the potential or actual conflict of interest, is resolved. In any event, the member having the conflict will excuse himself or herself with regard to the matter being discussed."

"In the event that a member of the Remuneration Committee faces a potential or actual conflict of interest with respect to a matter before the Committee, that Committee member will be responsible for alerting the Chairperson of the Remuneration Committee and in the case where the Chairperson of the Committee faces a potential or actual conflict of interest, he will advise the Chairperson of the Board. In the event that the Chairperson of the Committee, or the Chairperson of the Board, concurs that a potential or actual conflict of interest exists, and the Committee would not have the necessary quorum as a result, an independent substitute Board Director shall be appointed as a member of the Remuneration Committee until the matter, posing the potential or actual conflict of interest, is resolved. In any event, the member having the conflict will excuse himself or herself with regard to the matter being discussed."

- "Im Geschäftsjahr 2011 gab es keine Interessenkonflikte, die bei einem Verwaltungsratsmitglied zu einem Ausschluss an der Beratung und Beschlussfassung des Verwaltungsrats geführt haben."

"Die Mitglieder des Verwaltungsrats sind dem Gesellschaftsinteresse verpflichtet. Sie dürfen bei ihren Entscheidungen weder persönliche Interessen verfolgen noch Geschäftschancen, die der Gesellschaft zustehen, für sich nutzen. Hat ein Verwaltungsratsmitglied bei einem dem Verwaltungsrat zur Entscheidung vorliegenden Geschäft ein eigenes oder ein der Gesellschaft entgegenstehendes direktes oder indirektes Interesse, so hat es den Verwaltungsrat davon zu unterrichten. Als mitteilungspflichtige Interessenkonflikte gelten auch solche, die aufgrund einer Organfunktion oder Beratung bei Kunden, Lieferanten, Kreditgebern oder sonstigen Geschäftspartnern der Gesellschaft selbst oder einem von ihr kontrollierten Unternehmen auftreten können. Verwaltungsratsmitglieder mit den vorgezeichneten Interessenkonflikten sind von der Teilnahme an der Beratung und Beschlussfassung in den betroffenen Angelegenheiten ausgeschlossen. Dies ist im Sitzungsprotokoll festzuhalten und in dem jährlichen Bericht des Verwaltungsrats an die Generalversammlung zu vermerken. Wesentliche und nicht nur vorübergehende Interessenkonflikte in der Person eines Verwaltungsratsmitglieds können auf Verlangen des Verwaltungsrats zur Beendigung des Mandats führen."

- "Conformément à l'article 57 de la loi du 10 août 1915 sur les sociétés commerciales telle que modifiée, chaque administrateur veille à éviter tout conflit d'intérêt, direct ou indirect, avec la Société ou une société contrôlée par celle-ci. Il informe le président ou le vice-président du Conseil d'administration des conflits d'intérêts quand ils surviennent et s'abstient, sauf pour des opérations courantes conclues dans des conditions normales, de prendre part aux débats et de

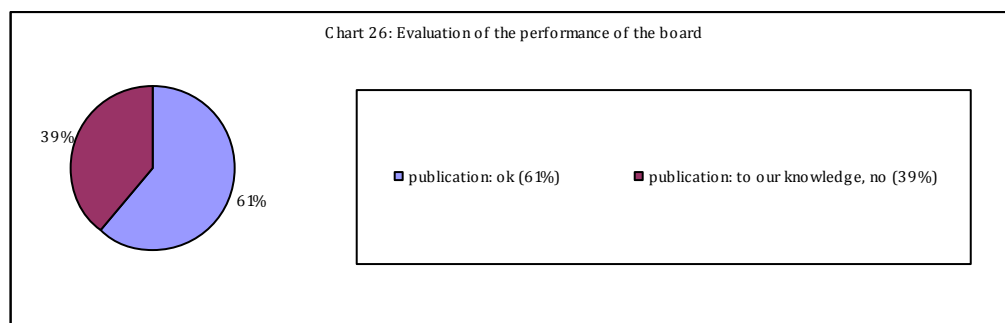
voter sur le point concerné conformément aux dispositions légales en la matière. Une mention sera portée au procès verbal de la réunion pour toute abstention motivée par un conflit d'intérêt et communiquée conformément aux dispositions légales en vigueur. Il est spécialement rendu compte, à la première Assemblée générale, avant tout vote sur d'autres résolutions, des opérations pour lesquelles un des administrateurs aurait eu un intérêt opposé à celui de la Société. Au cours de l'exercice écoulé, aucune décision prise par le Conseil d'administration n'a fait l'objet de conflit d'intérêts."

"Conformément à l'article 57 de la loi du 10 août 1915 sur les sociétés commerciales telle que modifiée, chaque administrateur veille à éviter tout conflit d'intérêt, direct ou indirect, avec la Société ou une société contrôlée par celle-ci. Il informe le Président ou le Vice-président du Conseil d'administration des conflits d'intérêt quand ils surviennent et s'abstient, sauf pour des opérations courantes conclues dans des conditions normales, de prendre part aux débats et de voter sur le point concerné conformément aux dispositions légales en la matière. Une mention sera portée au procès verbal de la réunion pour toute abstention motivée par un conflit d'intérêt et communiquée conformément aux dispositions légales en vigueur. Il est spécialement rendu compte, à la première Assemblée générale, avant tout vote sur d'autres résolutions, des opérations dans lesquelles un des Administrateurs aurait eu un intérêt opposé à celui de la Société."

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 18 companies:

- 11 companies (61%) publish information with regard to the evaluation of the performance of the board
- To our knowledge, 7 companies (39%) do not publish information

It should be noted that the detail of the information published varies considerably.

The companies that publish (annual report and/or CG charter), state:

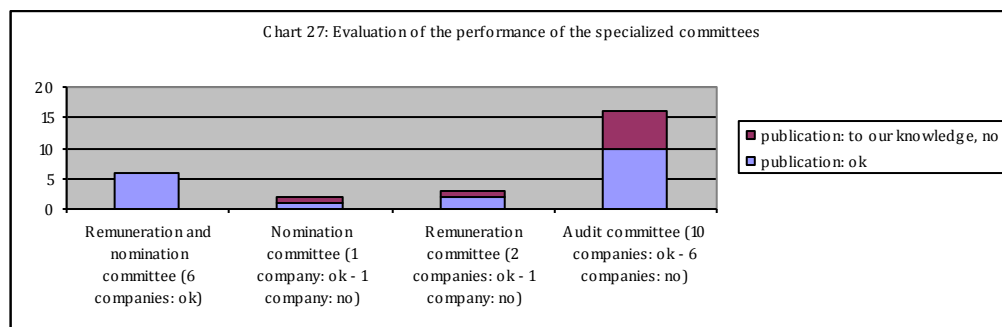
- "The Board of Directors conducts an annual self-evaluation in order to identify potential areas for improvement of the Board and its Committees. The self-evaluation process is based on interviews of the Lead Independent Director and each of the members of the Board of Directors and covers the overall performance of the Board of Directors, its relations with senior management, the performance of individual directors, and the performance of the Committees. The process is supported by the Company Secretary under the supervision of the Chairman and the Lead Independent Director. The findings of the self-evaluation process are examined by the Remuneration, Nomination and Corporate Governance Committee and presented with recommendations from the Committee to the Board of Directors for adoption and implementation. Suggestions for improvement of the Board of Directors' process based on the prior year's performance and functioning are implemented during the following year. The Company's first Board of Directors' self-evaluation was conducted early 2012 after a full yearly cycle of Board and Committee meetings had been completed. The findings will be discussed at the next meeting of the Board of Directors and its findings disclosed in the next annual report."
- "The board of directors decided in 2008 to start conducting an annual self-evaluation of its functioning in order to identify potential areas for improvement. The first self-evaluation process was carried out in early 2009. The 2011 self-evaluation process was implemented through structured interviews between the lead independent director and each director and covers the overall performance of the board of directors, its relations with senior management, the performance of individual directors, and the performance of the committees. The process is supported by the company secretary under the supervision of the chairman and the lead independent director. The findings of the self-evaluation process are examined by the appointments, remuneration and corporate governance ("ARCG") committee and presented with recommendations from the ARCG committee to the board of directors for adoption and implementation. Suggestions for improvement of the board of directors' process based on the prior year's performance and functioning are implemented during the following year."

- The 2011 board of directors' self-evaluation was completed and discussed by the board in early February 2012. Overall satisfaction with the quality of the board process increased compared with the previous year, based on high participation levels by directors in the board of directors as well as its committees in 2011 and the successful integration of the two new directors who joined the board in 2011. The balance of the time spent by the board of directors on strategic and other specific issues compared with the review of financial and operational results and performance was an issue identified to merit further consideration."
- "Le conseil d'administration procède à une évaluation régulière de son fonctionnement en examinant sa composition, son organisation et son efficacité en tant que collège."
 - "*The company* has in place a system for the evaluation of the performance of the board of directors."
 - "Le Conseil examine et évalue régulièrement (au moins tous les trois ans), sur avis du Comité de Nomination et de Rémunération, son efficacité propre en tant que collège, ainsi que l'efficacité de la structure de gouvernance du Groupe *de la société*, notamment la taille, la composition, l'organisation et le fonctionnement du Conseil ainsi que le rôle, la composition et les missions des différents comités spécialisés, et ses relations avec l'Executive Management."
 - "Le Conseil examine et évalue régulièrement (au moins tous les trois ans), sur avis du Comité de Nomination et de Rémunération, son efficacité propre en tant que collège, ainsi que l'efficacité de la structure de gouvernance de *la société*, notamment la taille, la composition, l'organisation et le fonctionnement du Conseil ainsi que le rôle, la composition et les missions des différents comités spécialisés, et ses relations avec le Comité de gestion."
 - "The principle related to the evaluation of the performance of the board of Directors has been implemented in 2008 ; the next assessment is planned for the year 2012. The evaluation process included the Audit Committee and the Compensation Committee and the next assessment is also scheduled for 2012. The evaluation process of each committee is based on a tailor made questionnaire addressed to each member. No significant change derived from the conclusions drawn from the evaluations."
 - "An evaluation of the Board of Directors' activities, as well as the activities of its committees, was performed in April 2011, and the findings were discussed by the Board."
"The Board of Directors evaluates its performance at regular intervals. This evaluation is carried out by the Secretary. The General Counsel presents the results of the evaluation process to the Board and, if deemed useful, recommendations for improving its working."
 - "Enfin, le Conseil d'administration a approuvé le rapport sur la gestion des risques de la société et a procédé à une auto-évaluation de ses travaux et de son organisation. Il s'en est suivi de légères modifications qui devraient contribuer à accroître la rationalisation des processus de gouvernance interne de l'entreprise."
 - "Der Verwaltungsrat überprüft und bewertet regelmäßig seine Zusammensetzung, Organisation und Effektivität als Kollegialorgan. Eine vergleichbare Überprüfung und Bewertung erfolgt für den Prüfungsausschuss. Der Verwaltungsrat zieht die notwendigen Rückschlüsse aus der Bewertung und leitet gegebenenfalls erforderliche Schritte zur Verbesserung der Arbeiten ein. Im Rahmen dieser Bewertung wurden im abgelaufenen Geschäftsjahr die effiziente Führung der Gesellschaft durch Gremien und Führungskräfte der *Gesellschaft* sowie die ausführlichen und transparenten Sitzungsunterlagen hervorgehoben. Als Verbesserungsvorschläge hatten die Verwaltungsratsmitglieder ausführlichere Diskussionen im Verwaltungsrat sowie den Erhalt detaillierter Informationen über den beruflichen Hintergrund der Verwaltungsratsmitglieder angeregt. Hierzu wurde entschieden, dem Verwaltungsrat kurze Lebensläufe aller Verwaltungsratsmitglieder zukommen zu lassen. Die Diskussionen im Verwaltungsrat sollen weiter vertieft werden."
 - "Der Verwaltungsrat überprüft und bewertet regelmäßig seine Zusammensetzung, Organisation und Effektivität als Kollegialorgan. Er zieht die notwendigen Rückschlüsse und leitet gegebenenfalls erforderliche Schritte zur Verbesserung der Arbeiten ein. Vergleichbare Bewertungen werden für etwaige Fachausschüsse durchgeführt. Der Verwaltungsrat veröffentlicht im Jahresabschluss die aus der Bewertung gewonnenen Erkenntnisse und, soweit erfolgt, etwaige Schlussfolgerungen."

- "Le Conseil évalue annuellement son efficacité, sa composition, sa taille, son organisation et son interaction avec la Direction et les comités spécialisés en vue d'adapter sa composition pour tenir compte des changements de circonstances et améliorer la gouvernance de la Société. L'évaluation consiste, entre autres, à vérifier : que les points à l'ordre du jour sont préparés et discutés de manière suffisante, que la composition du Conseil d'administration et l'organisation sont conformes aux exigences de la gouvernance de la Société, que chaque administrateur contribue de manière efficace aux réunions du Conseil, et s'implique dans les travaux et discussions. Le Conseil d'administration tire les enseignements de l'évaluation de ses performances en reconnaissant ses points forts et en remédiant à ses faiblesses. Le cas échéant, cela implique la proposition de nomination de nouveaux membres, la non-réélection de membres ou en général l'adoption de toute mesure susceptible d'assurer un fonctionnement efficace du Conseil d'administration. Pour l'exercice écoulé, le Conseil d'administration considère que sa composition correspond aux exigences de la gouvernance de la Société et évalue positivement son fonctionnement. Par conséquent, aucun changement n'a été opéré."

"Au cours de l'exercice écoulé, le Comité de rémunération et nomination a procédé à l'évaluation du fonctionnement et de la performance du Conseil d'administration, des comités spécialisés et de la Direction. Il a proposé au Conseil d'administration le renouvellement des mandats des administrateurs et le maintien des membres de la Direction à leur fonction, la nomination d'un second administrateur délégué, le maintien des politiques de rémunération, la fixation de la rémunération de la Direction et la répartition entre les administrateurs de l'enveloppe des tantièmes et jetons de présence votée par l'Assemblée générale annuelle."

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



Of the 6 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:

- one company publishes information with regard to the evaluation of the performance of committees.

Of the 3 companies which have a remuneration committee:

- 2 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 varies considerably.

The companies that publish (annual report and/or CG charter), state:

- "The Board of Directors conducts an annual self-evaluation in order to identify potential areas for improvement of the Board and its Committees. The self-evaluation process is based on interviews of the Lead Independent Director and each of the members of the Board of Directors and covers the overall performance of the Board of Directors, its relations with senior management, the performance of individual directors, and the performance of the Committees. The process is supported by the Company Secretary under the supervision of the Chairman and the Lead Independent Director. The findings of the self-evaluation process are examined by the Remuneration, Nomination and Corporate Governance Committee and presented with recommendations from the Committee to the Board of Directors for adoption and implementation. Suggestions for improvement of the Board of Directors' process based on the prior year's performance and functioning are implemented during the following year. The Company's first Board of Directors' self-evaluation was conducted early 2012 after a full yearly cycle of Board and Committee meetings had been completed. The findings will be discussed at the next meeting of the Board of Directors and its findings disclosed in the next annual report."
"As part of the annual self-evaluation interviews, the Remuneration, Nomination and Corporate Governance Committee performs an evaluation, which was completed in February 2012 with respect to performance in 2011."
- "The board of directors decided in 2008 to start conducting an annual self-evaluation of its functioning in order to identify potential areas for improvement. The first self-evaluation process was carried out in early 2009. The 2011 self-evaluation process was implemented through structured interviews between the lead independent director and each director and covers the overall performance of the board of directors, its relations with senior management, the performance of individual directors, and the performance of the committees. The process is supported by the company secretary under the supervision of the chairman and the lead independent director. The findings of the self-evaluation process are examined by the appointments, remuneration and corporate governance ("ARCG") committee and presented with recommendations from the ARCG committee to the board of directors for adoption and implementation. Suggestions for improvement of the board of directors' process based on the prior year's performance and functioning are implemented during the following year. The 2011 board of directors' self-evaluation was completed and discussed by the board in early February 2012. Overall satisfaction with the quality of the board process increased compared with the previous year, based on high participation levels by directors in the board of directors as well as its committees in 2011 and the successful integration of the two new directors who joined the board in 2011. The balance of the time spent by the board of directors on strategic and other specific issues compared with the review of financial and operational results and performance was an issue identified to merit further consideration."
- "According to the Company's Articles of Incorporation, the powers of the Audit Committee are : evaluating regularly its own effectiveness;"
- "Chaque comité évalue ses performances au moins tous les trois ans et en rend compte au Conseil d'administration. A cette occasion, il examine sa composition, son organisation et son efficacité et passe en revue les éventuelles lacunes et les actions à entreprendre. S'il y a lieu, il recommandera au Conseil d'administration les ajustements nécessaires au mode de fonctionnement et, le cas échéant, au Règlement intérieur. En outre, il évalue la nécessité de définir formellement la liste des compétences requises de ses membres, et présente des recommandations en ce sens au Conseil d'administration."
- "Le Conseil examine et évalue régulièrement (au moins tous les trois ans), sur avis du Comité de Nomination et de Rémunération, son efficacité propre en tant que collège, ainsi que l'efficacité de la structure de gouvernance de *la société*, notamment la taille, la composition, l'organisation et le fonctionnement du Conseil ainsi que le rôle, la composition et les mission des différents comités spécialisés, et ses relations avec le Comité de gestion."
"Chaque comité évalue ses performances au moins tous les trois ans et en rend compte au Conseil d'Administration. A cette occasion, il examine son composition, son organisation et son efficacité et passe en revue les éventuelles lacunes et les actions à entreprendre. S'il y a lieu, il recommandera au Conseil d'Administration les ajustements nécessaires au mode de

- fonctionnement et, le cas échéant, au Règlement intérieur. En outre, il évalue la nécessité de définir formellement la liste des compétences requises de ses membres et présente des recommandations en ce sens au Conseil d'Administration."
- "The principle related to the evaluation of the performance of the board of Directors has been implemented in 2008 ; the next assessment is planned for the year 2012. The evaluation process included the Audit Committee and the Compensation Committee and the next assessment is also scheduled for 2012. The evaluation process of each committee is based on a tailor made questionnaire addressed to each member. No significant change derived from the conclusions drawn from the evaluations."
 - "An evaluation of the Board of Directors' activities, as well as the activities of its committees, was performed in April 2011, and the findings were discussed by the Board."
 - "The Audit and Risk Committee shall perform a regular review and evaluation of its performance. This review should include compliance of the Audit and Risk Committee with this Charter. The Audit and Risk Committee shall conduct such evaluations and reviews in a manner as it deems appropriate, consistent with internationally recognized principles of good corporate governance."
"The Committee shall perform a regular review and evaluation of its performance. This review should include compliance of the Committee with this Charter. The Committee shall conduct such evaluations and reviews in a manner as it deems appropriate, consistent with internationally recognized principles of good corporate governance."
"The Committee shall perform annually, a review and evaluation of the performance of the Committee. This review should include compliance of the Committee with this Charter. The Committee shall conduct such evaluations and reviews in a manner as it deems appropriate, consistent with internationally recognized principles of good corporate governance."
 - "Der Verwaltungsrat überprüft und bewertet regelmäßig seine Zusammensetzung, Organisation und Effektivität als Kollegialorgan. Eine vergleichbare Überprüfung und Bewertung erfolgt für den Prüfungsausschuss. Der Verwaltungsrat zieht die notwendigen Rückschlüsse aus der Bewertung und leitet gegebenenfalls erforderliche Schritte zur Verbesserung der Arbeiten ein. Im Rahmen dieser Bewertung wurden im abgelaufenen Geschäftsjahr die effiziente Führung der Gesellschaft durch Gremien und Führungskräfte der *Gesellschaft* sowie die ausführlichen und transparenten Sitzungsunterlagen hervorgehoben. Als Verbesserungsvorschläge hatten die Verwaltungsratsmitglieder ausführlichere Diskussionen im Verwaltungsrat sowie den Erhalt detaillierter Informationen über den beruflichen Hintergrund der Verwaltungsratsmitglieder angeregt. Hierzu wurde entschieden, dem Verwaltungsrat kurze Lebensläufe aller Verwaltungsratsmitglieder zukommen zu lassen. Die Diskussionen im Verwaltungsrat sollen weiter vertieft werden."
"Der Verwaltungsrat überprüft und bewertet regelmäßig seine Zusammensetzung, Organisation und Effektivität als Kollegialorgan. Er zieht die notwendigen Rückschlüsse und leitet gegebenenfalls erforderliche Schritte zur Verbesserung der Arbeiten ein. Vergleichbare Bewertungen werden für etwaige Fachausschüsse durchgeführt. Der Verwaltungsrat veröffentlicht im Jahresabschluss die aus der Bewertung gewonnenen Erkenntnisse und, soweit erfolgt, etwaige Schlussfolgerungen."
 - "Au cours de l'exercice écoulé, le Comité de rémunération et nomination a procédé à l'évaluation du fonctionnement et de la performance du Conseil d'administration, des comités spécialisés et de la Direction. Il a proposé au Conseil d'administration le renouvellement des mandats des administrateurs et le maintien des membres de la Direction à leur fonction, la nomination d'un second administrateur délégué, le maintien des politiques de rémunération, la fixation de la rémunération de la Direction et la répartition entre les administrateurs de l'enveloppe des tantièmes et jetons de présence votée par l'Assemblée générale annuelle."

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 18 companies:

- 14 companies (78%) indicate their executive management structure (executive committee or management committee).

For 4 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. 3 companies comment as follows:

- "*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. The combination of these roles was revisited at the annual general meeting of shareholders of the company held in May 2011, when *the President of the Board* was re-elected to the board of directors for another three year term by a strong majority."
- "In derogation of the recommendation 1.3 of the Principle 1 of the Ten Principles of Corporate Governance, the executive management and the chairman of the Board is entrusted to the same person."
- "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, 4 companies (22%) 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 name of the chairman 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 18 companies:

- 3 companies have established a remuneration committee. The names of the directors, the name of the chairman, the number of independent members, the number of non executive members, the number of meetings, the attendance rate and the description of the task of the committee are always given.

The terms of the evaluation of performance are not always given.

2 companies comment as follows:

- "Actuellement les membres du comité de rémunération et de gouvernance font fonction de comité de nomination, suivant décision du Conseil d'Administration."
 - "*The company* does not follow the Recommendation 8.6, which states that the Remuneration committee should be composed exclusively of non executive directors, as the Group CEO is a member. However, *the company* follows the Recommendation 8.11, which states that individuals should not be involved in decisions regarding their own remuneration."
- For 6 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. One company does not publish the rate of attendance of members at meetings.

Of the 6 companies, one explains why it has combined the two committees into 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 nomination"."
- 6 other companies apply the "comply or explain" principle:
 - "*The company* as a holding company does not have activities of its own. The Board of Directors recognizes that its members include representatives of some of its principal shareholders and of major subsidiaries and as a consequence are remunerated by these entities and not directly by *the company*. The remuneration of other members of the board consists of attendance fees with the exception of members of the Audit Committee. The remuneration of the directors is determined by the general meeting of shareholders."
 - "It 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."
 - "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."

- "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."

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

- To our knowledge, 3 companies do not publish information in relation to a remuneration committee.

Of the 18 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 18 companies:

- Only 10 companies publish their remuneration policy.
- 15 companies publish an overall amount of remuneration allocated to non executive directors in their financial report. 14 companies draw a distinction between the fixed and the variable part of that remuneration.
- 12 companies publish an overall amount of remuneration allocated to executive members. 12 companies draw a distinction between the fixed and the variable part of that remuneration.
- 15 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 18 companies:

- 16 companies have established an audit committee,
- To our knowledge, 2 companies do not have an audit committee.

The description of the task of this committee and the number of non executive members are always given. The names of the directors comprising it and the number of meetings held are 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 members.

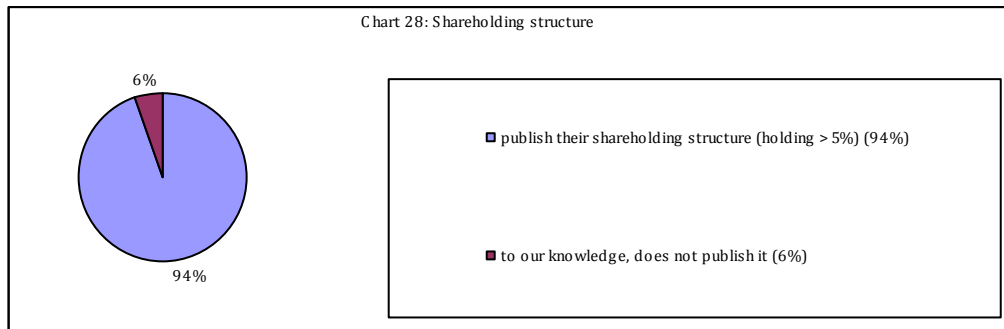
It is difficult to check the application of the above recommendations.

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*



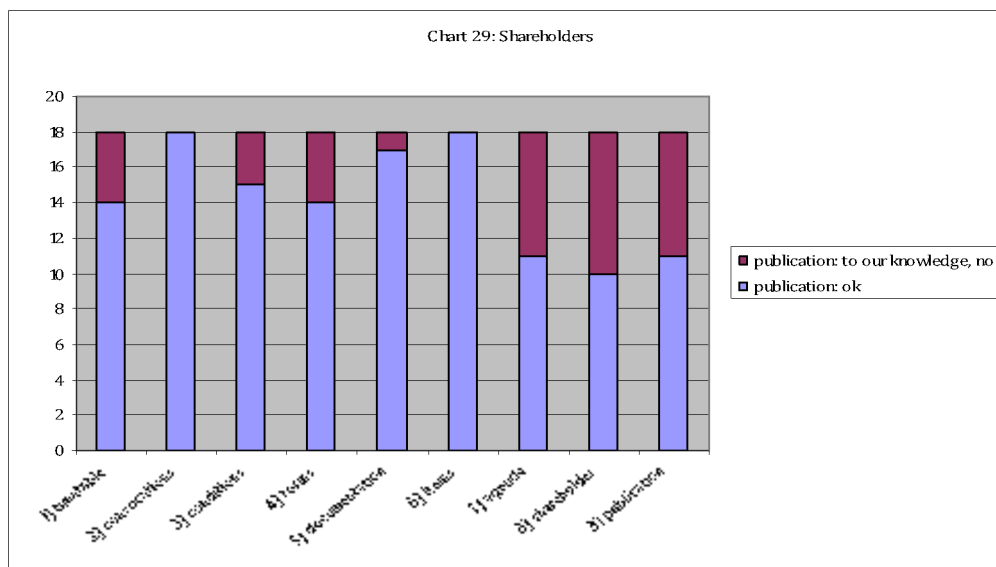
Of the 18 companies:

- 17 companies publish their shareholding structure 94%
- To our knowledge, 1 company does not publish it 6%

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

- for 17 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
14 companies publish this
 - *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
18 companies publish this
 - *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
15 companies publish this
 - *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
14 companies publish this
 - *devote a specific section of the website to the disclosure of downloadable registration and proxy forms*

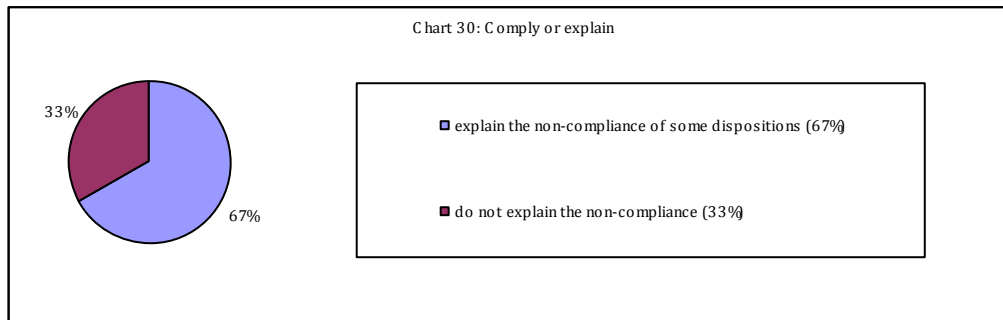
1 company indicates that only registered shares exist. The convocation and the proxy form are sent by post to the shareholders, so the proxy form is not published on the website.
- 5) Any relevant documentation for Annual General Meetings of shareholders
17 companies publish this
 - *devote a specific 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
 - *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
11 companies publish this
 - *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 and to lodge draft resolutions on the items on the agenda
10 companies publish this
 - *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*

This is expressly provided by law of 24 May 2011 under Article 4.
- 9) Publication of the detail of the results of votes and the minutes
11 companies publish this
 - *the company should post the details 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 vary.

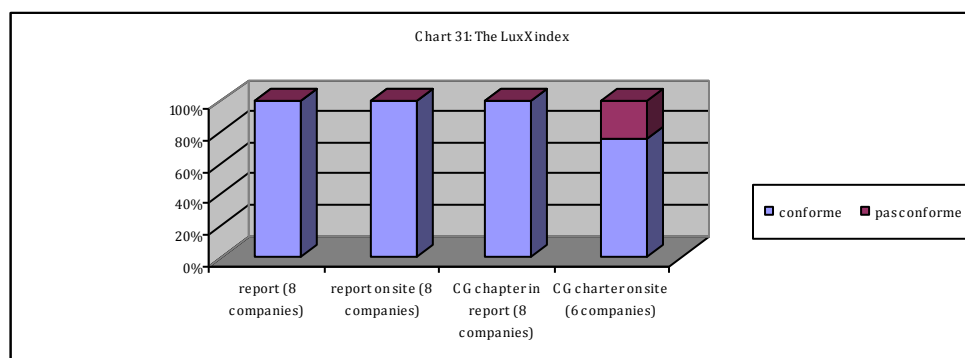
This study is limited to checking the existence of an explanation without checking its validity or foundation.

3. The LuxX index

The LuxX index is composed of 11 companies, of which 9 are Luxembourg companies (as at 31 December 2011).

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 30 June, 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 shareholder structure.
- 6 companies publish information in relation to independence criteria.
 - "La Charte diffère des X Principes de gouvernance en ce qu'elle consacre pas la perte d'indépendance de l'administrateur ayant siégé au Conseil d'Administration pendant plus de 12 ans. En effet, la structure du Conseil et de la relation du Conseil avec la direction garantissent en tout temps la distance et l'attitude critique nécessaires à assurer la qualité d'indépendance des administrateurs."
 - "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 (v. annexe D, paragraphe h) des Dix Principes), 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."

- "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." L'énumération des critères d'indépendance n'est pas publiée dans le chapitre GE.
- 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 details of non executive and/or executive members, the number of meetings, the rate of attendance of members at meetings and the duties of the board. The publication of the details of independent members and the terms of evaluation of performance are 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. La charte du Comité de rémunération est publiée dans son intégralité sur le site de la société (...)."
 - 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, the name of the chairman of the committees, independent, non executive and/or executive members and the number of meetings are well respected. Companies experience difficulties in publishing the rate of attendance of directors at meetings and the terms of the evaluation of the performance of the committees.
- 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 three 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.

100% of the companies are interested in corporate governance and have published a CG chapter in their annual report.

It is to be noted that all the companies publish the composition of their board of directors as well as general information regarding corporate governance on their website.

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

- only 61% 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 72% of the companies (principle 5),
- the level of evaluation of the performance of the board remains very unsatisfactory with only 61% 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 useful for shareholders in light of the requirements of principle 10.