

# # we make the move



Annual Financial Report 2021  
Fluxys Belgium



fluxys 

#wemakethemove  
**Corporate  
Governance  
Declaration**



Fluxys Belgium has adopted the 2020 Belgian Code on Corporate Governance (the 2020 Code) as its benchmark code of conduct. Fluxys Belgium is also subject to legislation on corporate governance contained in the Act of 12 April 1965 on the transmission of gaseous and other products via pipeline, as subsequently amended (the Gas Act), and European Directive 2009/73/EC concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (the Directive). Details of the legislation applied by Fluxys Belgium can be found online:

- The 2020 Code: <https://www.corporategovernancecommittee.be/en>
- The Gas Act: [www.just.fgov.be](http://www.just.fgov.be) (in French and Dutch)
- The Directive: [www.eur-lex.europa.eu](http://www.eur-lex.europa.eu)

Fluxys Belgium does not apply the 2020 Code rules on the term of directorships. Members of the Board of Directors are appointed for a period of six years rather than the four years advocated by Principle 5.6 of the 2020 Code. This term is justified in light of the technical, financial and legal particularity and complexity of the tasks and responsibilities entrusted to the natural gas system operator. A six-year mandate allows directors to deepen their expertise and to bring real added value to the debate over a longer period of time. This is also in line with the long-term nature of infrastructure operators' activities.

## Changes in the composition of the Board of Directors in 2021

At the Annual General Meeting held on 11 May 2021, the directorships of Andries Gryffroy and Daniël Termont were renewed for a period of six years, until the end of the 2027 Annual General Meeting. Luc Hujoe's directorship was renewed until 30 June 2021.

In addition, the same General Meeting decided to appoint Laurent Coppens as a director with effect from 1 July 2021, replacing Luc Zabeau, who resigned with effect from 30 June 2021. His directorship will expire at the end of the 2027 Annual General Meeting.

Walter Nonneman's independent directorship expired after the Annual General Meeting on 11 May 2021. It was decided not to replace him.

Laurence Bovy resigned as an independent director with effect from 31 December 2021. Cécile Flandre was co-opted by the Board of Directors on 30 March 2022 as an independent director, taking over Laurence Bovy's directorship until the 2025 Annual General Meeting. A decision on her permanent appointment will be taken at the General Meeting on 10 May 2022.

The Board of Directors co-opted Abdellah Achaoui as a director on 26 January 2022, with effect from 30 March 2022, for a term expiring at the end of the 2027 Annual General Meeting. A decision on his permanent appointment will be taken at the General Meeting on 10 May 2022.

The procedure for renewing directorships and new appointments by the Appointment and Remuneration Committee and the Corporate Governance Committee was complied with.

## Rules governing the appointment and replacement of members of the Board of Directors and amendments to the Articles of Association

### Appointment and replacement of directors

Directors are appointed by the General Meeting for no more than six years and can be dismissed by this body.

Article 10 of the Articles of Association stipulates that the company shall be managed by a Board of Directors comprising non-executive directors (except for the director charged with the day-to-day management of the company), who are appointed for a maximum term of six years and may be dismissed by the General Meeting. The directorships of outgoing directors who have not been re-elected shall expire immediately after the Annual General Meeting. In the event that one or more directorships fall vacant, the remaining directors may, by a simple majority of votes, temporarily fill the vacancy. In such cases, the General Meeting shall make the permanent appointment or appointments at its first meeting thereafter. If a directorship becomes vacant before the end of the term, the replacement director appointed shall serve out the rest of the term in question.

## Amendments to the Articles of Association

The company's Articles of Association may be amended by the Annual General Meeting; any amendments made must be published in the Belgian Official Gazette. Deliberation and decisions regarding amendments to the Articles of Association are only valid if at least half of the group's share capital is represented at the General Meeting. No amendment shall be permitted unless it is passed by three quarters of the votes.

## Board of Directors

### Composition of the Board of Directors

Article 10 of the company's Articles of Association stipulates that the Board of Directors shall comprise no fewer than three and no more than 24 non-executive directors, excluding the federal government representative(s).

Principle 3.2 of the 2020 Code recommends that the Board should be small enough for efficient decision-making. It should also be large enough for its Board members to contribute experience and knowledge from their different fields and for changes to the Board's composition to be managed without undue disruption. The size of the Fluxys Belgium Board of Directors is justified in light of the technical, financial and legal particularity and complexity of the tasks and responsibilities entrusted to the natural gas system operator and the diversity of interests involved.

In order to comply with the provisions of the Gas Act, at least one third of directors must be independent within the meaning of the Gas Act. They are chosen partly on the basis of their financial management skills and partly for their useful technical knowledge and in particular their relevant knowledge of the energy sector. Independent directors within the meaning of the Gas Act must meet, among other things, the independence criteria of the 2020 Belgian Code on Corporate Governance. One third of directors must be of a different gender from the other two thirds.

At least half of the directors must be fluent in French and half in Dutch.

In addition, the golden share grants the federal Energy Minister the right to appoint two representatives of the federal government to the Board of Directors.

Directors of the company may not simultaneously be members of the supervisory board, board of directors or bodies legally representing the undertaking, of an undertaking active in the production or supply of natural gas and may not exercise any rights over such an undertaking.

### Directors

**Daniël Termont**, Chairman of the Board of Directors and Vice-Chairman of the Strategic Advice Committee

Daniël Termont is a member of the Board of Directors of Publigas. He was appointed as director in May 1998 following his nomination by Publigas, and his current term of office will expire at the Annual General Meeting in May 2027.

**Claude Grégoire**, Director, Vice-Chairman of the Board of Directors and Chairman of the Strategic Advice Committee

Claude Grégoire is a qualified civil engineer. He was appointed as director in October 1994 following his nomination by Publigas. His current term of office will expire at the Annual General Meeting in May 2024.

**Pascal De Buck**, Managing Director and CEO

Pascal De Buck studied law, specialising in economic law, before completing several management training courses, including at the Flemish School of Higher Education in Economics (VLEKHO) and EHSAL Management School (EMS) in Brussels and the IESE Business School's international Global CEO Program. After joining Fluxys as a Legal Counsel in 1995, he became head of the Legal and Commercial departments before taking on the role of Commercial Director, where he was responsible for business development and strategy. Pascal was appointed CEO and Chairman of the Executive Board of Fluxys Belgium on 1 January 2015. He became Managing Director of Fluxys Belgium in May 2020 and will hold this position until the Annual General Meeting in May 2026.

**Abdellah Achaoui**, Director (since 30 March 2022)

Abdellah Achaoui speaks several languages and has a degree in finance. He is management manager at VIVAQUA. He is currently on political leave and serving as an alderman in the Brussels municipality of Molenbeek. He is Chairman of the Board of Directors of Interfin and a member of the Boards of Directors of Sibelga and Publigas. He has held financial positions in various sectors, both private and public. Following his nomination by Publigas, he was co-opted as director by the Board of Directors with effect from 30 March 2022 for a term expiring at the end of the Annual General Meeting in May 2027. A decision on his permanent appointment will be taken at the Annual General Meeting on 10 May 2022.

**Jos Ansoms**, Director

Jos Ansoms holds a degree in political and social sciences from KU Leuven. He has been Chairman of Intermixt, Iveka and IGEAN and Vice-Chairman of Eandis, among other roles. For 23 years he was a member of the lower house of the Belgian federal parliament, the House of Representatives, during which time he for example chaired the Business and Energy Committee. He was appointed as director in May 2016 following his nomination by Publigas, and his current term of office will expire at the Annual General Meeting in May 2022.

**Laurent Coppens**, Director (since 1 July 2021)

Laurent Coppens holds a Master of Business Administration from the University of Liège and completed specialised courses in Management Accounting & Control at Maastricht University before working as an assistant and researcher in finance. He is currently CFO of Sibelga, Interfin, Publigas and Publi-T. He was appointed as director by the Annual General Meeting in May 2021, with effect from 1 July 2021, following his nomination by Publigas. His term of office will expire at the end of the Annual General Meeting in May 2027.

**Patrick Côté**, Director

Patrick Côté is Managing Director, Infrastructure at Caisse de dépôt et placement du Québec (CDPQ). He has 15 years' experience in the infrastructure sector, having joined CDPQ in 2006. Before that, he held various corporate finance positions in large companies, including Ivanhoé Cambridge, CDPQ's real estate subsidiary. He also sits on the Board of Directors of Velto Renewables and London Array. Patrick graduated from HEC Montréal with a business degree, specialising in finance, and a qualification as a Chartered Professional Accountant (CPA). Following his nomination by CDPQ, he was co-opted as director by the Board of Directors with effect from 1 January 2017, and his term of office will expire at the end of the Annual General Meeting in May 2023.

**Andries Gryffroy**, Director

Andries Gryffroy is a qualified industrial electromechanical engineer and holds a Master's degree in marketing. He took a number of additional training courses in the energy sector and worked in a range of positions in that sector. He is a consultant in technology and energy. He is also the Chairman of Publigas, a member of the Flemish Parliament and a federated entity senator. He was appointed as director in May 2015 following his nomination by Publigas, and his current term of office will expire at the Annual General Meeting in May 2027.

**Luc Hujoel**, Director and Chairman of the Appointment and Remuneration Committee (until 30 June 2021)

Luc Hujoel holds a Master's degree in economics. He is the General Manager of Interfin and a director and Secretary General at Publigas. He was appointed as director in May 2009 following his nomination by Publigas, and his term of office expired on 30 June 2021.

**Ludo Kelchtermans**, Director, Chairman of the Audit and Risk Committee

Ludo Kelchtermans holds a degree in economics and is CEO of Nutsbedrijven Houdstermaatschappij (Nuhma). He is a director at several companies and chairman of Aspiravi's audit committee. He was appointed as director in June 2012 following his nomination by Publigas. His current term of office will expire at the Annual General Meeting in May 2026.

**Renaud Moens**, Director and Chairman of the Appointment and Remuneration Committee

Renaud Moens has a degree in business from ULB's Solvay Business School. He is the General Manager of the intermunicipal company IGRETEC and a director at Publigas, Sambrinvest, Sonaca and SOCOFE. He was co-opted as director by the Board of Directors on 24 September 2014 following his nomination by Publigas, and his current term of office will expire at the Annual General Meeting in May 2022.

**Josly Piette**, Director

Josly Piette holds degrees in industrial sociology and economic and social sciences. He is Honorary General Secretary of the Confédération des Syndicats Chrétiens (Confederation of Christian Trade Unions) and a director at SOCOFE and Publigas. He was appointed as director in June 2009 following his nomination by Publigas. His current term of office will expire at the Annual General Meeting in May 2026.

**Koen Van den Heuvel**, Director

Koen Van den Heuvel holds a degree in economics and political science. As a member of Puurs Municipal Council since 1989, for five years he served as the Alderman for Youth, Culture and Finance. In 1997, he became Mayor of Puurs, and since 2019 he has been the mayor of the merged municipality of Puurs-Sint-Amunds. Since 2004, he has been a member of the Flemish Parliament, leading his parliamentary group there from 2012 to 2019. In 2019, he was the Flemish Minister for the Environment, Nature and Agriculture. He was co-opted as director, with effect from 1 December 2019, at the Board of Directors' meeting held on 29 January 2020, and his current term of office will expire at the Annual General Meeting in May 2025.

**Geert Versnick**, Director

Geert Versnick has a law degree from Ghent University. He has also participated in study programmes from GUBERNA, the International Institute for Management Development (IMD) and INSEAD. He was a lawyer at the Ghent Bar from 1980 until 2000 and active in politics from 1989 to 2017. He holds a number of directorships in both the private and public sectors. He was appointed as director by the Annual General Meeting in May 2018 with effect from 3 October 2018, following his nomination by Publigas, and his current term of office will expire at the Annual General Meeting in May 2024.

**Luc Zabeau**, Director (until 30 June 2021)

Luc Zabeau is a commercial engineer and holds a degree in commercial and financial sciences. He was appointed as director in June 2009 following his nomination by Publigas. He resigned with effect from 30 June 2021.

**Independent directors under the provisions of the Gas Act****Laurence Bovy**, independent director (until 31 December 2021)

Laurence Bovy holds a Master's degree in public and administrative law from the Université Libre de Bruxelles (ULB). She also studied at the Institute of Directors in London and followed various programmes in public procurement and banking law. She is currently CEO of the bi-regional intermunicipal company VIVAQUA and a member of the Board of Governors of the King Baudouin Foundation and the Board of Directors of the Federal Holding and Investment Company (SFPI-FPIM). She was appointed as independent director in May 2019 following her nomination by the Board of Directors and the recommendation of the relevant advisory committees. She tendered her resignation with effect from 31 December 2021.

**Sabine Colson**, independent director, Chairman of the Corporate Governance Committee

Sabine Colson has a degree in business and finance from HEC Liège. She completed a GUBERNA Certified Director course and holds a university certificate in innovation management from UCLouvain. She coordinates the Family & MBO investment platform at the Regional Investment Company of Wallonia (SRIW). Following the recommendation of the relevant advisory committees, she was co-opted as independent director by the Board of Directors with effect from 1 October 2018. Her current term of office will expire at the Annual General Meeting in May 2024.

**Valentine Delwart**, independent director

Valentine Delwart holds a degree in law and a Master's degree in European law. She is Alderwoman for Finance in Uccle and has been General Secretary of the French-speaking liberal party Mouvement Réformateur since March 2011. She was appointed as independent director in May 2013 following her nomination by the Board of Directors and the recommendation of the relevant advisory committees. Her term of office will expire at the Annual General Meeting in May 2025.

**Cécile Flandre**, independent director (since 30 March 2022)

Cécile Flandre holds a degree in mathematics and actuarial science from the Université Libre de Bruxelles (ULB). For nine years she served as CFO and executive director at two insurance companies, Belfius Insurance and later Ethias. She has many years of experience in the insurance sector, including its supervision, and in financial matters. She is currently a director of Elia Transmission Belgium, Elia Asset and Elia Group. She has been a member or chair of the boards of directors and audit committees of several companies. She was co-opted as an independent director by the Board of Directors with effect from 30 March 2022 for a term expiring at the Annual General Meeting in May 2025. A decision on her permanent appointment will be taken at the Annual General Meeting on 10 May 2022.

**Sandra Gobert**, independent director

Sandra Gobert holds a Master's degree in law from the Vrije Universiteit Brussel (VUB). She has taken the GUBERNA training courses and is a GUBERNA Certified Director. She has been a member of the Brussels Bar since 1992, specialising in corporate law and corporate governance, and has held directorships since 1991. In early 2019, she was appointed Executive Director of GUBERNA, where she has been a member of the Board of Directors since 2016. She is also a partner in Sub Rosa Legal. She was appointed as independent director in May 2019 following her nomination by the Board of Directors and the recommendation of the relevant advisory committees. Her directorship will expire at the Annual General Meeting in May 2025.

**Roberte Kesteman**, independent director

Roberte Kesteman holds a Master's degree in Applied Economics from VLEKHO. She also studied International Corporate Finance at INSEAD in France. She is currently Senior Advisor at First Sentier Investors International, an independent director at Elia Transmission Belgium, Elia Asset and Elia Group, as well as a member of the Audit Committee, Remuneration Committee and Corporate Governance Committee. She was co-opted as independent director with effect from 1 July 2019 following her nomination by the Board of Directors' meeting held on 26 June 2019 and the recommendation of the relevant advisory committees, and her current term of office will expire at the Annual General Meeting in May 2023.

**Anne Leclercq**, independent director

Anne Leclercq holds a Master's degree in law and an MBA from Vlerick Business School. Many years working in both the banking sector and as Director of Treasury and Capital Markets at the Belgian Debt Agency (the agency in charge of the operational management of the debt of the Belgian federal government) have provided her with a wealth of financial expertise and management experience. Until mid-2019, Anne chaired a sub-committee of the European Union's Economic and Financial Committee comprising debt managers from the various EU Member States. She is currently a director at Argenta Bank en Verzekeringen, WDP (Warehouses De Pauw), Z.org, Plexus (Regional Hospital Network) and KU Leuven/UZ Leuven, where she is also Chairman of the Audit Committee. She was appointed as independent director at Fluxys in May 2018 following her nomination by the Board of Directors and the recommendation of the relevant advisory committees. Her current term of office will expire at the Annual General Meeting in May 2024.

**Walter Nonneman**, independent director (until 11 May 2021)

Walter Nonneman is an emeritus professor of economics at the University of Antwerp and has held management and board positions in the private, non-profit and public sectors. He holds a PhD in applied economics from UFSIA in Antwerp and also studied at the Harvard Graduate School of Business Administration. Walter was appointed as independent director in May 2009 following his nomination by the Appointment and Remuneration Committee. His term of office expired at the Annual General Meeting in May 2021.

**Sandra Wauters**, independent director

Sandra Wauters holds a PhD in chemical engineering from Ghent University. She is currently Carbon Management Programme Manager at BASF Antwerp, where she is responsible for business development and coordination on climate-neutral growth. She was appointed as independent director in May 2013 following her nomination by the Board of Directors and the recommendation of the relevant advisory committees. Her term of office will expire at the Annual General Meeting in May 2025.

## Federal government representatives

**François Fontaine, Maxime Saliez and Tom Vanden Borre**

François Fontaine sat on the Board of Directors in an advisory capacity as a French-speaking representative of the federal government until 8 February 2021.

Messrs Maxime Saliez and Tom Vanden Borre were appointed as per the Royal Decree of 31 January 2021 as representatives of the federal government in an advisory capacity for the French- and Dutch-speaking roles respectively. This Royal Decree entered into force on the date of its publication in the Belgian Official Gazette, namely 8 February 2021.<sup>1</sup>

Maxime Saliez has a degree in civil and electromechanical engineering and is an adviser to the Federal Minister of Energy. Tom Vanden Borre holds a PhD in law and serves as Head of the Private Office of the Federal Minister of Energy.

Federal government representatives have special powers as stipulated in the Acts of 26 June 2002 and 29 April 1999 and the Royal Decrees of 16 June 1994 and 5 December 2000, as set out in Article 12 of the Articles of Association and in the Corporate Governance Charter.

They attend meetings of the Board of Directors and the Strategic Advice Committee in an advisory capacity.

**Secretariat**

Nicolas Daubies, Deputy Director Group General Counsel & Company Secretary, acts as secretary to the Board of Directors.

<sup>1</sup> Royal Decree of 31 January 2021 on the dismissal and appointment of federal government auditors to the Boards of Directors of the relevant operators, as provided for in Article 8/3(1/3) of the Act of 12 April 1965 concerning the transmission of gaseous and other products by pipeline (published in the Belgian Official Gazette on 8 February 2021).

## Activity report

### Issues examined

The members of the Board of Directors seek to adopt decisions by consensus. The Board mainly addressed the following issues:

- The strategy of Fluxys Belgium;
- The 2021 budget;
- The 10-year investment programme (2021-2030);
- The medium-term financial plan;
- The HSEQ policy;
- Risk management;
- The preparation of the company's annual and half-yearly accounts and those of its subsidiaries, as well as associated press releases;
- The drafting of the annual financial report for the financial year 2020 and the half-yearly financial report as at 30 June 2021;
- Projects and research into projects related to the continuing development of the group's activities in Belgium, including:
  - market integration projects;
  - projects linked to the energy transition, especially those involving biomethane and the transmission of hydrogen and CO<sub>2</sub>, including the framework of the economic recovery plan;
  - L-gas to H-gas conversion;
  - long-term solutions for storage in Loenhout and changes to the regulation of storage activities;
  - regasification services;
  - investment decision for the expansion of truck loading capacity in Zeebrugge;
- Changes in the legal and regulatory framework;
- Progress of disputes and legal action brought in order to safeguard the company's interests;
- The energy mix, the European Green Deal, developing a long-term vision for a low-carbon energy system by 2050 and the European Commission's Fit for 55 programme;
- The role of natural gas in Belgium's future energy system and in the energy transition;
- Commercial activities and the operation of the network and the LNG terminal (including demand for additional regasification capacity at the LNG terminal);
- Water capture contribution;
- Convening the Annual General Meeting;
- Changes in the composition of the Board of Directors and the advisory committees;
- Examination of reports by the Strategic Advice Committee, the Audit and Risk Committee, the Appointment and Remuneration Committee and the Corporate Governance Committee;
- Examination of the report of the Board of Directors of Fluxys LNG;
- The measures taken by the company with regard to the COVID-19 pandemic.

## Operation

The Board of Directors may only deliberate and adopt decisions when at least half of the directors are either present or represented. Decisions made by the Board of Directors are taken by a simple majority of votes cast by directors present or represented. In 2021, the Board of Directors took all of its decisions by unanimous vote of the directors present or represented.

### Frequency of meetings and attendance levels

The Board of Directors met six times in ordinary meetings in 2021. Director attendance at Board of Directors' meetings in 2021 was as follows:

	Attendance
Daniël Termont	6 out of 6 meetings
Claude Grégoire	6 out of 6 meetings
Pascal De Buck	6 out of 6 meetings
Jos Ansoms	6 out of 6 meetings
Laurence Bovy	3 out of 6 meetings
Sabine Colson	5 out of 6 meetings
Laurent Coppens	2 out of 2 meetings
Patrick Côté	6 out of 6 meetings
Valentine Delwart	5 out of 6 meetings
Sandra Gobert	6 out of 6 meetings
Andries Gryffroy	4 out of 6 meetings
Luc Hujoel	4 out of 4 meetings
Ludo Kelchtermans	6 out of 6 meetings
Roberte Kesteman	6 out of 6 meetings
Anne Leclercq	6 out of 6 meetings
Renaud Moens	6 out of 6 meetings
Walter Nonneman	3 out of 3 meetings
Josly Piette	6 out of 6 meetings
Koen Van den Heuvel	6 out of 6 meetings
Geert Versnick	4 out of 6 meetings
Sandra Wauters	6 out of 6 meetings
Luc Zabeau	4 out of 4 meetings

## Committees formed by the Board of Directors

### Strategic Advice Committee

#### Composition of the Strategic Advice Committee

The Strategic Advice Committee comprises nine non-executive directors, of whom at least one third must be independent within the meaning of the Gas Act.

#### Chairman

Claude Grégoire

#### Vice-Chairman

Daniël Termont, Chairman of the Board of Directors

#### Members

- Jos Ansoms
- Patrick Côté
- Valentine Delwart\*
- Luc Hujoel (until 30 June 2021)
- Anne Leclercq\* (since 12 May 2021)
- Walter Nonneman\* (until 11 May 2021)
- Koen Van den Heuvel
- Sandra Wauters\*

\* Independent directors under the provisions of the Gas Act

#### Federal government representatives acting in an advisory capacity

Maxime Saliez and Tom Vanden Borre

#### Invited in an advisory capacity

Andries Gryffroy, Director

#### Secretariat

Nicolas Daubies, Deputy Director Group General Counsel & Company Secretary, acts as secretary to the Strategic Advice Committee.

#### Issues examined

The Strategic Advice Committee was set up within the Board of Directors in accordance with Article 15.1 of the Articles of Association. It has no decision-making powers but is responsible for providing an opinion on the items to be submitted to the Board of Directors for approval, in accordance with the applicable legal and regulatory provisions and the Articles of Association. Within this framework, the Strategy Committee also monitors implementation of the Board of Directors' decisions. The members of the Strategic Advice Committee seek to adopt decisions by consensus. In 2021, the Strategic Advice Committee addressed the following issues, among others:

- The strategy of Fluxys Belgium;
- The 10-year investment programme (2022-2031);
- The 2022 budget;
- The Medium-Term Plan;
- The HSEQ policy;
- Projects and research into projects related to the continuing development of the group's activities in Belgium, including:

- market integration projects;
- L-gas to H-gas conversion;
- projects linked to the energy transition, especially those involving biomethane and the transmission of hydrogen and CO<sub>2</sub>, including the framework of the economic recovery plan;
- long-term solutions for storage in Loenhout and changes to the regulation of storage activities;
- geothermal energy;
- regasification services;
- investment decision for the expansion of truck loading capacity in Zeebrugge;
- Changes in the legal and regulatory framework, including tariffs and the new draft Gas Package published by the European Commission;
- Progress of disputes and legal action brought in order to safeguard the company's interests;
- The energy mix, the European Green Deal, developing a long-term vision for a low-carbon energy system by 2050 and the European Commission's Fit for 55 programme;
- The role of natural gas in Belgium's future energy system and in the energy transition;
- Commercial activities and the operation of the network and the LNG terminal (including demand for additional regasification capacity at the LNG terminal);
- Water capture contribution;
- Information relating to operation and safety.

#### Operation

The advice put forward by the Strategic Advice Committee is adopted by a simple majority of votes cast by those members present or represented, in line with their assigned powers. For detailed information on how the Strategic Advice Committee works, please consult Annex IV of the Corporate Governance Charter – Strategic Advice Committee Rules of Internal Procedure (<https://www.fluxys.com/en/company/fluxys-belgium/management-governance>).

## Frequency of meetings and attendance levels

The Strategic Advice Committee met nine times in 2021. Director attendance at Strategic Advice Committee meetings in 2021 was as follows:

	Attendance
Claude Grégoire	9 out of 9 meetings
Daniël Termont	9 out of 9 meetings
Jos Ansoms	8 out of 9 meetings
Patrick Côté	9 out of 9 meetings
Valentine Delwart	9 out of 9 meetings
Andries Gryffroy	9 out of 9 meetings
Luc Hujuel	4 out of 4 meetings
Anne Leclercq	4 out of 5 meetings
Walter Nonneman	4 out of 4 meetings
Koen Van den Heuvel	9 out of 9 meetings
Sandra Wauters	9 out of 9 meetings

## Audit and Risk Committee

### Composition of the Audit and Risk Committee

The Audit and Risk Committee comprises seven non-executive directors, of whom at least one third must be independent within the meaning of the Gas Act and the 2020 Belgian Code on Corporate Governance. The Audit and Risk Committee has collective expertise in the company's area of activity and at least one independent director has the required expertise in accounting and auditing.

#### Chairman

Ludo Kelchtermans

#### Members

- Laurence Bovy\* (until 31 December 2021)
- Cécile Flandre (since 30 March 2022)
- Sabine Colson\*
- Laurent Coppens (since 1 July 2021)
- Patrick Côté
- Anne Leclercq\*
- Renaud Moens (until 30 June 2021)
- Sandra Wauters\*

\* Independent directors under the provisions of the Gas Act

#### Secretariat

Nicolas Daubies, Deputy Director Group General Counsel & Company Secretary, acts as secretary to the Audit and Risk Committee.

## Accounting and auditing expertise of the independent directors on the Audit and Risk Committee

### Laurence Bovy (until 31 December 2021)

- She has experience of audit committees and appointment and remuneration committees, specifically at the National Railway Company of Belgium (SNCB), finance.brussels and the SFPI-FPIM.

### Cécile Flandre (since 30 March 2022)

- She holds a degree in mathematics and actuarial science.
- She has extensive experience on boards of directors and audit committees.
- She has held the position of Chief Financial Officer, executive board member and executive director, with particular responsibility for investments, accounting, financial planning and control, and corporate finance.

### Sabine Colson

- She holds a degree in business and finance from HEC Liège and has been an audit manager at PwC.
- She has experience of audit committees and appointment and remuneration committees.
- She is a director of various companies, primarily in the environmental and renewable energies sector.

### Anne Leclercq

- She holds a Master's degree in law and an MBA from Vlerick Business School.
- Many years working in the financial sector have provided her with a wealth of financial expertise and management experience.
- She has extensive market knowledge and insight into the key drivers of change in financial markets, such as changes in regulations and economic factors.
- Until 31 July 2019, she was Director of Treasury and Capital Markets at the Belgian Debt Agency.

### Sandra Wauters

- She has a PhD in chemical engineering.
- In her operations role at BASF Antwerp, she has acquired experience in HAZOP studies and technical risk assessments.

## Issues examined

The Audit and Risk Committee was set up within the Board of Directors to assist this body. It has the powers assigned to an audit and risk committee by law as well as any other powers that may be assigned to it by the Board of Directors. The members of the Audit and Risk Committee seek to adopt decisions by consensus. In 2021, the Audit and Risk Committee mainly addressed the following issues:

- The company's accounts as at 31 December 2020 and 30 June 2021 as well as the associated press releases (financial part);
- The annual financial report for the 2020 financial year and the half-yearly report as at 30 June 2021;
- The principles governing the closing of accounts;
- Examination of the auditor's work and schedule;
- Examination of the internal control and risk management system;
- Goals, schedule and activities of the internal audit in 2021;
- The internal audit schedule for 2022;
- Follow-up on the recommendations made in the wake of the internal audit in 2020;
- Risk management;
- The results of the Fluxys Risk Management (2nd Line) audit;
- Confirmation to the Audit and Risk Committee of the independence of the internal audit;
- The evaluation of the person in charge of the internal audit.

## Operation

Decisions by the Audit and Risk Committee are adopted by a simple majority of votes cast by those members present or represented, in line with their assigned powers. For detailed information on how the Audit and Risk Committee works, please consult Annex II of the Corporate Governance Charter – Audit and Risk Committee Rules of Internal Procedure (<https://www.fluxys.com/en/company/fluxys-belgium/management-governance>).

## Frequency of meetings and attendance levels

The Audit and Risk Committee met four times in 2021. Director attendance at Audit and Risk Committee meetings in 2021 was as follows:

	Attendance
Ludo Kelchtermans	4 out of 4 meetings
Laurence Bovy	3 out of 4 meetings
Sabine Colson	4 out of 4 meetings
Laurent Coppens	2 out of 2 meetings
Patrick Côté	4 out of 4 meetings
Anne Leclercq	4 out of 4 meetings
Renaud Moens	2 out of 2 meetings
Sandra Wauters	3 out of 4 meetings

## Appointment and Remuneration Committee

### Composition of the Appointment and Remuneration Committee

The Appointment and Remuneration Committee comprises seven non-executive directors, the majority of whom must be independent within the meaning of the Gas Act and the 2020 Belgian Code on Corporate Governance. The committee has the required expertise in remuneration policy.

#### Chairman

Luc Hujoel (until 30 June 2021)

Renaud Moens (since 1 July 2021)

#### Members

- Laurence Bovy\* (until 31 December 2021)
- Cécile Flandre (since 30 March 2022)
- Valentine Delwart\*
- Sandra Gobert\* (since 12 May 2021)
- Roberte Kesteman\*
- Walter Nonneman\* (until 11 May 2021)
- Koen Van den Heuvel
- Geert Versnick

\* Independent directors under the provisions of the Gas Act

#### Secretariat

Anne Vander Schueren, HR Director, acts as secretary to the Appointment and Remuneration Committee.

## Issues examined

The Appointment and Remuneration Committee was set up within the Board of Directors to assist it in all matters concerning the appointment and remuneration of directors and members of the Management Team BE. It has the powers assigned to a remuneration committee by law as well as any other powers that may be assigned to it by the Board of Directors. In 2021, the Appointment and Remuneration Committee mainly addressed the following issues:

- The compilation of the draft remuneration report;
- The compilation of the opinion for the Board of Directors concerning the renewal of the term of office of directors;
- The preparation of the objectives for the Managing Director and the members of the Management Team BE;
- The preparation of the evaluation of the Managing Director and the members of the Management Team BE;
- The compilation of recommendations on the remuneration of the Managing Director (fixed and variable remuneration and long-term incentives);
- The compilation of recommendations on the remuneration of the members of the Management Team BE (fixed and variable remuneration and long-term incentives) following a proposal by the Managing Director;
- The state of progress regarding the company targets for 2021;
- The approach and planning of the remuneration policy.

## Operation

Decisions by the Appointment and Remuneration Committee are adopted by a simple majority of votes cast by those members present or represented, in line with their assigned powers. The members of the Appointment and Remuneration Committee seek to adopt decisions by consensus. In 2021, the Appointment and Remuneration Committee approved all the decisions submitted to it. For detailed information on how the Appointment and Remuneration Committee works, please consult Annex III of the Corporate Governance Charter – Appointment and Remuneration Committee Rules of Internal Procedure (<https://www.fluxys.com/en/company/fluxys-belgium/management-governance>).

## Frequency of meetings and attendance levels

The Appointment and Remuneration Committee met five times in 2021. Director attendance at Appointment and Remuneration Committee meetings in 2021 was as follows:

	Attendance
Luc Hujoel	4 out of 4 meetings
Renaud Moens	1 out of 1 meeting
Laurence Bovy	3 out of 5 meetings
Valentine Delwart	5 out of 5 meetings
Sandra Gobert	2 out of 2 meetings
Roberte Kesteman	5 out of 5 meetings
Walter Nonneman	3 out of 3 meetings
Koen Van den Heuvel	5 out of 5 meetings
Geert Versnick	3 out of 5 meetings

## Corporate Governance Committee

### Composition of the Corporate Governance Committee

The Corporate Governance Committee comprises seven non-executive directors, of whom at least two thirds must be independent under the provisions of the Gas Act.

#### Chairman

- Sabine Colson\*

#### Members

- Laurent Coppens (since 1 July 2021)
- Valentine Delwart\*
- Sandra Gobert\*
- Roberte Kesteman\*
- Anne Leclercq\*
- Josly Piette
- Luc Zabeau (until 30 June 2021)

\* Independent directors under the provisions of the Gas Act

#### Secretariat

Nicolas Daubies, Deputy Director Group General Counsel & Company Secretary, acts as secretary to the Corporate Governance Committee.

### Issues examined

The Corporate Governance Committee was set up within the Board of Directors in order to carry out the tasks conferred upon it by the Gas Act. The members of the Corporate Governance Committee seek to adopt decisions by consensus. In 2021, the Corporate Governance Committee mainly addressed the following issue:

- Preparation of the 2020 annual report by the Corporate Governance Committee, drafted on the basis of Article 8/3 section 5(3) of the Gas Act.

### Operation

Decisions by the Corporate Governance Committee are adopted by a simple majority of votes cast by those members present or represented, in line with their assigned powers. For detailed information on how the Corporate Governance Committee works, please consult Annex I of the Corporate Governance Charter – Corporate Governance Committee Rules of Internal Procedure (<https://www.fluxys.com/en/company/fluxys-belgium/management-governance>).

### Frequency of meetings and attendance levels

The Corporate Governance Committee met once in 2021. Director attendance at Corporate Governance Committee meetings in 2021 was as follows:

	Attendance
Sabine Colson	1 out of 1 meeting
Laurent Coppens	No meetings
Valentine Delwart	0 out of 1 meeting
Sandra Gobert	1 out of 1 meeting
Roberte Kesteman	1 out of 1 meeting
Anne Leclercq	1 out of 1 meeting
Josly Piette	1 out of 1 meeting
Luc Zabeau	1 out of 1 meeting

## Managing Director and CEO and Management Team BE in 2021

### Composition

Pascal De Buck is the Managing Director of Fluxys Belgium. He is also the company's Chief Executive Officer.

The Managing Director can delegate some of his powers to a 'Management Team BE' that is composed as follows:

- Arno Bux, member of the Management Team BE and Chief Commercial Officer
- Christian Leclercq, member of the Management Team BE and Chief Financial Officer
- Peter Verhaeghe, member of the Management Team BE and Chief Technical Officer

Nicolas Daubies, Deputy Director Group General Counsel & Company Secretary, acts as secretary to the Management Team BE.

### Issues examined

The Management Team BE assists the Managing Director in the tasks assigned to him. It meets as often as it deems necessary and in any case weekly, unless hindered in some way. The Managing Director convenes the members and any guests and sets the agenda. In 2021, the Management Team BE – in addition to the matters submitted to the Board of Directors (see page 140) – also focused on the following issues:

- **Strategy:** key role of the transmission of carbon-neutral gases and CO<sub>2</sub> in the energy system of the future, sustainable development goals, multi-energy model: outlook for 2030/2050, investment planning including transition projects, ENTSOG roadmap;
- **Commercial activities:** monitoring changes in traded volumes and liquidity on the gas trading points, monitoring changes in capacity sales, analysing the competitiveness of transmission activities, project to increase regasification capacity at the LNG terminal, new services in small-scale LNG, injection of green gas into the network, market process for the development of hydrogen and CO<sub>2</sub> infrastructure, L/H conversion, truck loading, market consultations, impact of high gas prices, certification issues for biofuels, commercialisation of optical fibres;
- **Finance:** annual and half-yearly financial results, efficient cost management, audit policy, monitoring of subsidy applications, sustainable finance and the Taxonomy Regulation, drafting, validation and monitoring of the budget, creditworthiness analysis of counterparties, OPEX monitoring, financial situation at Balansys;
- **Legal and regulatory framework:** tariff methodology 2024-2027, 2022 balancing tariff proposal, market consultation for transmission and storage, H<sub>2</sub> and CO<sub>2</sub> legal framework, future market model for storage, Gas Directive, BioLNG regulated service, Fit for 55 project, CSR annual report 2020 and approach, embargo procedure;
- **Infrastructure and operations:** ICT security monitoring and governance, Digital Lounge plan, electronic signature, digitalisation, infrastructure adjustments for home working, research projects on hydrogen transmission, green energy and climate neutrality, monitoring of infrastructure works, network safety, analysis of incidents, near-incidents and occupational accidents, investment projects, orders, obtaining the necessary permits for investment projects or operating activities, awarding of contracts, status of the decommissioning of pipelines, transfer of the ownership of land or subsurfaces, operational reporting, CRM study, water capture contribution, impact of nitrogen ruling, crisis management training and exercise programme;
- **HR policy:** effects of the pandemic on staff and plan of action, internal organisation, company objectives and monitoring of progress, sustainability report;

- **Health, safety and environment:** implementation and monitoring of pandemic-related measures, emission issues, HSE policy, EU methane regulation, ISO 14001 certification, Global Prevention Plan 2022-2026, safety advice for employees;
- Renewal and termination of insurance;
- Monitoring the activities of subsidiaries and related associations;
- Preparation of documentation for the Board of Directors and the various committees.

## Remuneration report

### Introduction

The Fluxys Belgium remuneration policy will be submitted to the Annual General Meeting in accordance with the Belgian Code on Companies and Associations. The policy will then be published on the company website at <https://www.fluxys.com/en/company/fluxys-belgium/management-governance>.

The purpose of this report is to provide information on the implementation of this policy over the past financial year.

By way of introduction, it should be emphasised that the remuneration policy aims to contribute to the company's mission and purpose, namely to be the designated operator of the Belgian natural gas transmission grid, the Loenhout storage facility and the Zeebrugge LNG terminal, and to be an important actor in a sustainable energy future and to bring reliable and affordable energy flows to market.

The remuneration policy applicable to the Managing Director and CEO and of the Management Team BE was developed in accordance with the entire company's remuneration policy. This policy is based on an objective and transparent classification system with a view to:

- Ensuring that the compensation package complies with that of the market in order to attract and retain staff with the required expertise;
- Developing incentive pay, which varies according to each person's responsibilities and contribution to Fluxys Belgium's objectives. The amount of the incentive payment received is based on the extent to which company, , transversal and individual targets have been achieved;
- Promoting professional and committed behaviour, as well as a consistent and Group-wide approach, with respect for and in full support of the company's values.

Remuneration for non-executive directors is based on market practice and takes into account their role, the specific duties they perform, the resulting responsibilities and the time they devote to their duties.

The remuneration awarded in 2021 is in line with the company's remuneration policy and with the company's performance, which also remained strong during this year, and with its short- and long-term ambitions. Among other things, the company was able to continue ensuring the continuity of its activities during the prevailing pandemic and also to take important steps in the transition to a sustainable energy future.

We note that contrary to recommendations 7§§6 and 9 of the 2020 Corporate Governance Code, the directors and members of the executive management do not receive any part of their remuneration in the form of shares of Fluxys Belgium. This deviation is justified by the regulated nature of the company's activity, which is characterised by different mechanisms to ensure long-term value creation and a highly relative relationship between performance and share price.

### Remuneration for non-executive directors

During the previous financial year, Fluxys Belgium set the non-executive directors' remuneration at the same level as the previous financial year in line with the principles outlined in the Articles of Association, the Corporate Governance Charter and the remuneration policy.

The remuneration consists of a total fixed amount, determined by the Annual General Meeting, that the Board of Directors distributes to non-executive directors on the basis of the workload their individual roles require within the company of no more than € 360,000 per annum as of 1 July 2007 (subject to indexation), or €466,613.50 as of 31 December 2021. Non-executive directors and government representatives also receive an attendance fee of €250 for each Board or committee meeting.

Non-executive directors receive neither performance-related remuneration, such as bonuses or long-term, share-related incentive schemes, nor benefits in kind or pension-plan benefits. Remuneration for non-executive directors consists exclusively of a fixed part.

At the end of the first six-month period, directors are paid an advance on their remuneration and attendance fees. This advance is calculated on the basis of the index-linked basic remuneration and in proportion to the duration of the directorship over the six-month period. A final payment (full settlement) is made in December of the year in question.

## Fees for non-executive directors

For their work on Fluxys Belgium's Board of Directors and its various committees, the non-executive directors received the following gross remuneration and attendance fees in 2021:

Directors and government representative	Gross total (in €)
Daniël Termont	29,672.97
Claude Grégoire	24,488.38
Jos Ansoms	19,053.78
Laurence Bovy (1)	22,988.37
Sabine Colson (2)	23,488.37
Laurent Coppens (4)	11,454.41
Patrick Côté (3)	25,488.37
Valentine Delwart	30,672.96
Sandra Gobert	21,377.60
Andries Gryffroy	18,803.78
Luc Hujoel (4)	13,283.96
Ludo Kelchtermans (5)	18,053.78
Roberte Kesteman (6)	23,988.37
Anne Leclercq	28,062.19
Renaud Moens (7)	17,803.78
Walter Nonneman	9,943.09
Josly Piette (8)	17,553.78
Koen Van den Heuvel	25,738.37
Geert Versnick	17,303.78
Sandra Wauters	25,238.37
Luc Zabeau (4)	9,212.97
François Fontaine	2,119.30
Maxime Saliez	17,184.48
Tom Vanden Borre	16,934.48
Total	469,909.69

The total amount of €469,909.69 is made up of €398,659.69 in directors' fees and €71,250.00 in attendance fees.

At their request, notification is hereby given that some directors have transferred their remuneration and attendance fees:

- (1) This director transferred her remuneration and attendance fees to VIVAQUA.
- (2) This director transferred her remuneration and attendance fees to SRIW Environnement.
- (3) This director retroceded his remuneration and attendance fees to Caisse de dépôt et placement du Québec.
- (4) These directors transferred their remuneration and attendance fees to Interfin.
- (5) This director transferred his remuneration and attendance fees to Nuhma.
- (6) This director transferred her remuneration and attendance fees to Symvouli.
- (7) This director transferred his remuneration and attendance fees to IGRETEC.
- (8) This director retroceded his remuneration and attendance fees to SOCOFE.

The non-executive directors of Fluxys Belgium held no paid directorships in any other Fluxys group companies.

Until 8 February 2021, Mr François Fontaine served as federal government representative acting in an advisory capacity, attending the Strategic Advice Committee. On 8 February 2021 Mr Tom Vanden Borre and Mr Maxime Saliez were appointed as representatives of the federal government for the Dutch-speaking and French-speaking roles respectively<sup>2</sup>.

<sup>2</sup> Royal Decree of 31 January 2021 on the dismissal and appointment of federal government auditors to the Boards of Directors of the relevant operators, as provided for in Article 8/3(1/3) of the Act of 12 April 1965 concerning the transmission of gaseous and other products by pipeline (published in the Belgian Official Gazette on 8 February 2021).

## Remuneration for the Managing Director and CEO and the members of Management Team BE

### Total remuneration

Remuneration for the Managing Director and CEO and the members of Management Team BE in accordance with the remuneration policy consists of the following components:

- a base salary: fixed amount;
- performance-related remuneration: depending on the degree to which the objectives set each year have been achieved (company and individual objectives);
- performance-related remuneration for long-term objectives: depending on the degree to which the objectives set for each regulatory period (four years) with a possible payment every two years;
- a defined-contribution pension plan administered in accordance with the rules applicable to companies in the gas and electricity sector;
- other components: expenses to cover insurance, company car, gas and electricity sector benefits.

### Setting of remuneration

The Chairman of the Executive Board and CEO was evaluated for the year in question by the Board of Directors, following the opinion of the Appointment and Remuneration Committee, based on the extent to which the stipulated objectives were achieved. The Appointment and Remuneration Committee was also given an explanation regarding the extent to which the stipulated objectives of the Managing Director and CEO of Fluxys Belgium were achieved and the evaluation of the members of Management Team BE in 2021.

The Board of Directors met to decide on the remuneration for the Managing Director and CEO and the members of Management Team BE. The Board of Directors:

- approved the performance and activities of Fluxys Belgium for 2021;
- defined the amount of the 2021 variable remuneration for Pascal De Buck as Managing Director and CEO of Fluxys Belgium in 2021, pursuant to a proposal by the Appointment and Remuneration Committee, and defined the total amount of the variable remuneration in 2021 of the other members of Management Team BE of Fluxys Belgium, pursuant to a proposal by Pascal De Buck.

The allocation of performance-related remuneration is based on an assessment of the following criteria:

## For the Managing Director and CEO

Short-term variable remuneration		
Cycle	Per year	
Performance/payment link	Performance	Payment
Minimum Bonus	80% or less	No minimum %, depending on circumstances.
Target Bonus	100%	40%
Maximum Bonus	120% or more	70%
Objectives	Description	Weighting
Company	Key company targets	50%
Personal	Individual and company-wide	35%
Style & values	Leadership & link to company values	15%

Long-term variable remuneration		
Cycle	Per 4 years / payment possible every 2 years	
Performance/payment link	Performance	Payment
Maximum Bonus	100% or more	13%/year
Objectives	Description	Weighting
Company	Key long-term company targets	100%

As an exception, the first cycle will cover three years (2021 to 2023), with a first possible payout in 2023, for the results of 2022-2023. The CEO waives this long-term variable remuneration for the year 2021.

## For the members of Management Team BE

Short-term variable remuneration		
Cycle	Per year	
Performance/payment link	Performance	Payment
Minimum Bonus	80% or less	No minimum %, depending on circumstances.
Target Bonus	100%	30%
Maximum Bonus	120% or more	45%
Objectives	Description	Weighting
Company	Key company targets	40%
Personal	Individual and company-wide	30%
Style & Values	Leadership & link to company values	30%

  

Long-term variable remuneration		
Cycle	Per 4 years / payment possible every 2 years	
Performance/payment link	Performance	Payment
Maximum Bonus	100% or more	7%/year
Objectives	Description	Weighting
Company	Key long-term company targets	100%

As an exception, the first cycle will cover three years (2021 to 2023, inclusive), with a first payout in 2021, for the 2021 results, and a second possible payout in 2023, for the 2022-2023 results.

For 2021, the key corporate targets can be summarised as follows:

- Financial performance: keep OPEX under control and hit Fluxys Belgium's financial targets;
- Implement the investment plan, focusing in particular on the energy transition;
- Safe and reliable operation, continuity of gas flows and satisfaction of the users of the facilities;
- Energy transition and profitable and sustainable growth to become the transporter of future energy carriers.

Fluxys Belgium implements its strategy and sustainability commitment in company objectives that cover the key areas of Planet, Prosperity and People, which are translated into personal objectives every year. For example, our focus on our role in the transition to a sustainable energy future is a critical factor in the variable compensation framework, as is our Go4Net0 project targeting a greenhouse gas emission-free company.

In addition, sustainability, safety, good community relations and the well-being of our employees were included as important pillars in the short-term and long-term compensation plans.

The company objectives, both short and long term, and the respective personal objectives, together form the framework within which the performance of the Managing Director and CEO as well as the members of Management Team BE is evaluated and their corresponding variable remuneration awarded.

The company targets were easily achieved in 2021, in particular in terms of financial performance and the energy transition.

For the Managing Director and CEO, the personal targets were exceeded and the targets related to leadership and the propagation of the company's values were also positively assessed. Short-term variable remuneration for the Managing Director and CEO is mainly paid in cash, with the remainder paid into the group insurance policy, plus the option to have part of the bonus paid in OTC (over-the-counter) options. The CEO waives his variable remuneration for long-term objectives for the year 2021 and will therefore only receive performance-related remuneration for long-term objectives as of 2022, with the first possible payout after two years, in 2023. Remuneration for long-term goals is paid out in cash.

For the members of Management Team BE, too, the personal targets were exceeded and the targets related to leadership and the propagation of the company's values were also positively assessed. Short-term variable remuneration is paid entirely in cash, with the option to have part of the bonus paid out in OTC options. The long-term objectives were almost completely achieved by the members of Management Team BE; as an exception, there will be a payout after one year. The next payout is possible after two years, in 2023. Remuneration for long-term goals is paid out in cash.

## Remuneration awarded to the Managing Director and CEO and the members of Management Team BE in 2021

Components	Managing Director and CEO (individual)	Members of Management Team BE (together)
Basic remuneration	300,743.40	506,081.40
Variable remuneration	175,935.00	183,608.00
Long-term variable remuneration*	N/A	30,871.00
Pension	113,984.51	251,347.17**
Other components	19,148.28	50,438.46
Total	609,811.19	1,022,346.03
Fixed/variable ratio***	71%	78%
	29%	22%

\*As an exception: a payout after one year. The CEO waives this long-term variable remuneration for the year 2021.

\*\* Including special bonus for 25 years of service for one member of Management Team BE.

\*\*\* The one-off special bonus for 25 years of service for one member of Management Team BE has not been included in the calculation of the fixed/variable ratio.

As regards the variable remuneration for 2021, Fluxys Belgium is covered by the legal derogation from the requirement to spread payment over multiple years, because the on-target variable remuneration for the Managing Director and CEO and the members of Management Team BE is no more than 25% of the total annual remuneration.

### Share-related remuneration

The Managing Director and CEO and the members of Management Team BE receive neither shares nor share options in the company as part of their basic salary or performance-related pay.

### Severance pay

The company did not award any severance pay during the year in question.

### Recovery rights

The Managing Director and CEO, in this capacity, and the members of Management Team BE have employee status. Fluxys Belgium applies the relevant legal provisions to their employment contracts.

If it transpires that a deliberate error has resulted in inaccurate financial data being used as the basis for the variable remuneration, the error will be taken into account in the evaluation process of the individual concerned in the year in which the error is detected.

The company did not make use of this option during the year in question.

### Deviations from the remuneration policy

There were no deviations from the remuneration policy in 2021.

## Changes in company remuneration and performance

Change by year	2017	2018	2019	2020	2021
<b>Non-executive directors*</b>					
Total	415,448	437,103	462,051	464,687	469,910
<b>Chairman of the Executive Board and CEO/Managing Director and CEO</b>					
Total	450,921	470,938	516,941	619,288	609,811
<b>Members of the Executive Board/Management Team BE*</b>					
Total	869,451	915,034	893,778	977,242	1,022,346
<b>Performance of Fluxys Belgium Group (consolidated annual accounts – in thousands of €)</b>					
Operating revenue	510,528	503,246	530,995	560,590	573,191
EBITDA	283,163	278,382	297,337	313,623	318,905
EBIT	129,312	120,601	134,841	133,482	137,821
Net profit	70,321	54,469	69,498	73,237	75,521
<b>Average remuneration for other employees (in full-time equivalents)</b>					
Total**	83,417	88,498	88,689	89,292	91,112

\*The number of members may vary from year to year.

\*\*Total of the 'remuneration for all employees' categories, namely executives and employees and including a frozen population of employees who are still paid according to the so-called 'old employment conditions' in accordance with the provisions of Joint Committee 326.

This 'remuneration' section includes all gross remuneration components, including fixed annual wages, as well as all variable components, including compensation for on-call duty, shift work, overtime, etc.

The other remuneration components (employer contributions to the group insurance policy, personnel insurance and the cost of certain job-related benefits) are not included.

The ratio between the highest remuneration for management (the Managing Director and CEO) and the lowest remuneration in full-time equivalent for employees was 1:15 for 2021.

## Voting rights and special powers

The shareholders' meeting represents all shareholders irrespective of their share category. The valid decisions it makes, based on the required majority, shall be binding on all shareholders, even those who are not present or who do not agree with said decisions.

Each share entitles the holder to one vote. In compliance with the Royal Decree of 16 June 1994, and with the Articles of Association within which these statutory provisions are incorporated, special rights shall be allocated to the golden share held by the Belgian State in Fluxys Belgium in addition to the ordinary rights attached to all other shares. Said special rights are exercised by the federal Energy Minister and, in brief, comprise the following:

- the right to oppose any transfer, assignment as a guarantee, or change in the purpose of Fluxys Belgium's strategic assets (a list of which is appended to the aforementioned Royal Decree dated 16 June 1994) if the federal Energy Minister considers that such an operation would adversely affect national interests in the field of energy;
- the right to appoint two representatives of the federal government in an advisory capacity to Fluxys Belgium's Board of Directors and Strategic Advice Committee;
- the right of representatives of the federal government to appeal to the federal Energy Minister within four working days, on the basis of objective, non-discriminatory and transparent criteria (as defined in the Royal Decree of 5 December 2000), against any decision of Fluxys Belgium's Board of Directors or advice from the Strategic Advice Committee (including the investment and activity plan and the associated budget) which in their view breaches national energy policy guidelines, including the government's national energy supply objectives – such an appeal shall be suspensive; if the federal Energy Minister has not annulled the decision concerned within eight working days after this appeal, the decision shall become definitive;
- a special voting right in the event of deadlock at the General Meeting concerning an issue affecting the objectives of federal energy policy.

The special rights attached to the golden share held by the Belgian State are listed in Articles 5, 10, 12 and 18 of Fluxys Belgium's Articles of Association. These rights remain attached to the golden share for as long as it is held by the Belgian State and Articles 3 to 5 of the Royal Decree of 16 June 1994 granting the State a golden share in Fluxys Belgium or replacement provisions remain in force.

In addition to these statutory special rights, the golden share also confers on its holder the right to receive a portion 100 times greater than that associated with each category-B and category-D share of all dividend payments and all other payments which the company makes to its shareholders.

## Limitations on share transfers set by law or the Articles of Association

There are no limitations on the following share transfers:

- transfers of shares, subscription rights, ex-rights or independent rights enabling the purchase of shares (hereafter jointly referred to as "securities") between a shareholder and companies associated with that shareholder within the meaning of the Code on Companies and Associations;
- all transfers of category-D shares.

In all other cases, any shareholder planning to transfer securities to another shareholder or a third party, in any manner whatsoever, shall give all other shareholders, except holders of category-D shares and the golden share, the option of a priority purchase (on a pro rata basis of their shareholding) of the securities relating to the planned transfer, as per the procedures detailed below.

A shareholder planning to transfer shares must inform the company in writing, requesting acknowledgement of receipt, a) of the number of shares they plan to sell, b) of the name of the prospective assignee(s) deemed to be of good faith and the price irrevocably offered by said assignee, and c) that the shares in question are being offered to shareholders for priority purchase under the same conditions. The Board of Directors shall inform the other shareholders of this offer in the same manner within two weeks. Every shareholder shall then have 60 days as from receipt of the aforesaid written notification to inform the transferring shareholder and the company, in writing requesting acknowledgement of receipt, whether or not they shall submit a bid and, if so, of the number of shares they wish to acquire.

If requests exceed the number of shares offered for sale, the Board of Directors shall distribute the shares between the applicants on a pro rata basis of the number of shares held by said applicants and up to the maximum number of shares stated in their request.

If, upon the expiry of the aforementioned period of 60 days, no shareholders have indicated their intention to acquire the shares offered, or where the number of shares requested by the shareholders is less than the number of shares offered, the shareholder who indicated their intention to transfer shares in accordance with the provisions of this article shall be able to complete the planned transfer to the third party indicated in their notification and under the conditions indicated therein.

## Transactions and other contractual relations

Directors and members of the Management Team BE must take care to comply with all legal and ethical obligations incumbent upon them, in particular with respect to conflicts of interest as per Article 7:96 of the Code on Companies and Associations.

The group's Corporate Governance Charter lays down a procedure for transactions and other contractual relations between directors or members of the Management Team BE and the company or its subsidiaries and which do not fall within the scope of the aforementioned Article 7:96.

This procedure is as follows:

- Directors and members of the Management Team BE must take care to comply with all legal and ethical obligations incumbent upon them. They must organise their private and business affairs in such a way as to avoid as far as possible any situation in which a personal conflict of interest may arise between themselves and the company or its subsidiaries.
- In the event of any doubt on the part of a director as to whether there is such a conflict of interest, they must notify the Chairman of the Corporate Governance Committee accordingly. Members of the Management Team BE should express their doubts to the Managing Director.
- Where there is a personal conflict of interest, the director concerned must, without being asked, withdraw from the Board of Directors' meeting while the matter in question is being discussed and must not take part in the voting, including by proxy, on said matter. Reasons for this abstention must be stated in accordance with the terms of the Code on Companies and Associations.
- Where there is deemed to be a conflict of interest, the purpose and conditions of the transaction or other contractual relationship must be communicated for information purposes to the Board of Directors by its Chairman. The Board of Directors is also required to approve said purpose and conditions (or refer them to the Board of Directors of the subsidiary concerned for approval) where the total amount of the individual transaction or accumulated transactions over a three-month period is in excess of €25,000.
- If a member of the Management Team BE has, directly or indirectly, an interest of a financial nature which conflicts with a decision or a transaction falling within the remit of the Management Team BE, they must notify the other members of this before the Team deliberates. The member concerned may not participate in the deliberations of the Management Team BE on that decision or transaction or in the vote.

The Board of Directors was not required to implement the above procedure during the 2021 financial year.

## Issue or buy-back of shares

Fluxys Belgium's Articles of Association authorise the General Meeting to acquire the company's own shares in accordance with legal provisions. No such decision was taken at the 2021 Annual General Meeting. However, when the company acquires its own shares with a view to distributing them to its staff, no decision by the General Meeting is required.

In the case of a capital increase, the shares for subscription in cash must be preferentially offered to shareholders, in proportion to the portion of the company's capital their shares represent. However, the General Meeting may, in the interests of the company, limit or eliminate this pre-emptive right in compliance with legal provisions.

## Auditor

The Annual General Meeting decided on the annual fees of EY Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL.

In 2021, EY received remuneration totalling €169,982 for its work as the Fluxys Belgium group's auditor.

This remuneration is broken down as follows:

- Audit services as auditor for the group: €134,860;
- Audit services as auditor for the group's foreign subsidiaries: €17,622.
- The auditor provided additional services during the year for a total of €17,500.

The mandate of the auditor, Ernst & Young Bedrijfsrevisoren BV, having its registered office at De Kleetlaan 2, B-1831 Diegem, listed in the Register of Legal Entities under the number 0446.334.711, represented by:

- Marnix Van Dooren & Co BV, permanently represented by Mr Marnix Van Dooren, and
- Wim Van Gasse BV, permanently represented by Mr Wim Van Gasse,

will expire at the end of the Annual General Meeting on 10 May 2022.

Based on the advice of the Audit Committee, the Board of Directors has recommended to the Annual General Meeting to renew the mandate of Ernst & Young Bedrijfsrevisoren BV as auditor for a further term of three years expiring at the end of the Annual General Meeting in 2025, for an indexed fee of €118.779/year.

## Subsidiaries

The Board of Directors checks on the progress of the activities of the subsidiaries Fluxys Re and Fluxys LNG at least twice a year when it examines their consolidated accounts (annual and half-yearly). The Board of Directors is also informed, as and when appropriate, of major events and important developments involving subsidiaries.

## Disclosure of major holdings

The periodic disclosure pursuant to Article 74(8) of the Act of 1 April 2007 was sent out on 13 December 2017. As of the date of disclosure, Fluxys held 63,237,240 shares with voting rights in Fluxys Belgium. Publigas held no shares with voting rights in Fluxys Belgium. Publigas confirmed at that time that it had not acquired or transferred any shares with voting rights in Fluxys Belgium. No transfer of shares with voting rights took place in 2021.

#### Questions about accounting data

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#### Creation and realisation

[www.chriscom.eu](http://www.chriscom.eu)

#### Photos

David Samyn, Will Anderson (Badger Productions), Johan Van Droogenbroeck, Wim Robberechts, Dries Van den Brande, Dunkerque LNG – HappyDay, DNV Spadeadam test facility, Titan LNG, Philip Vanoutrive

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This financial annual report is also available in Dutch and French. Contact our communication service to obtain a copy: [communication@fluxys.com](mailto:communication@fluxys.com)



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shaping together  
a bright energy  
future