

GDF SUEZ

**ENERGY EUROPE
& INTERNATIONAL**

**Organisation and Management principles of the
Business Line Energy Europe & International**

Version History

Version	Released	Author(s)	Distribution list	Status & Description
1.0	25/03/2010	Lievens Geert Mertens- Stobbaerts Sophie	BEEI2010 Core team Excom BEEI Members	Organisation description according to the BEEI2010 reorganisation project
1.1	29/03/2010	Mertens- Stobbaerts Sophie	Internal BEEI	modifications in Section 4, based on remarks from BAs and Support Divisions
1.2	28/05/2010	Lievens Geert	Internal BEEI	modifications in Section 2, based on remarks from Group level (DISP)

Document Review & Approval

Version	Reviewed by	Approved by	Date
1.2	BEEI 2010 Core team + DISP	Beeuwsaert Dirk	28/05/2010

Organisation and Management principles of the Business Line Energy Europe & International

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1. Purpose and Objectives of the Note

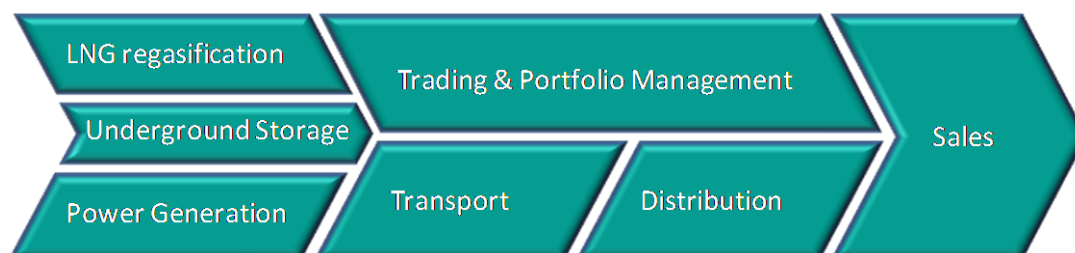
The purpose of this note is to describe the Organisation of the Business Line Energy Europe and International (hereafter BEEI) and its Management Principles, so as to ensure consistency within the Business Line, the Business Areas and Business Entities, as well as vertical and horizontal alignment with the Group and its other Business Lines.

2. Mission and Scope of Activities of BEEI

GDF SUEZ Energy Europe & International is the GDF SUEZ Business Line responsible for energy activities (with the exception of gas exploration and production) outside France. Its mission ranges from developing and managing electricity and gas businesses, to offering customised energy services and support to its clients at every stage of their development.

The Business Line's customers include institutions, industry, the tertiary sector, as well as residential energy users. Addressing each customer's specific needs is crucial, and GDF SUEZ Energy Europe & International has devoted a great deal of time and resources to ensuring the highest levels of customer care in all its operations.

BEEI operates throughout the Energy Value Chain, as outlined in the picture below:



The BEEI has extensive expertise in portfolio management, marketing and sales, conventional power plants fired by gas and coal, as well as nuclear power stations, biomass units, wind turbines, hydroelectric power stations (dam and run-of-river), and operation of gas infrastructure.

The Business Line currently employs some 33,000 people in more than 30 countries around the world (Europe, North America, Latin America, Asia, the Middle East and Africa).

2.1. Power Generation

The BEEI manages the development, construction and operation of power generation plants, with all necessary associated activities. It has an installed power generating capacity of more than 64,000 MW in operation, as well as about 18,000 MW under construction or in committed projects.

2.2. Infrastructures

In Europe, some fully unbundled and regulated infrastructures, such as gas storage in UK and Germany, or transmission in Germany (MEGAL) and in Austria (BOG), are operated by the Business Line Infrastructure. The development and operation of other infrastructures is managed by BEEI.

2.3. Trading and Portfolio Management

BEEI's Trading and Portfolio Management covers three main functions:

- First, (and principally), to execute a portfolio management strategy that reflects the companies' risk management goals so as to enhance and protect the expected S-P (Sales – Purchases) margin.
- Second, to create a strong link between the assets-based portfolio and all relevant commodity markets. Energy Trading is a window to the market; it executes orders and provides support to TPM.
- Third, to allow GDF SUEZ customers to get full advantage from markets' increased liquidity through the development of origination and portfolio services.

2.4. Power and Gas Sales (B2B and B2C)

BEEI manages marketing and sales activities for power, natural gas and related energy services, to a wide variety of customers such as retail customers (residential and small professionals), public authorities, B2B customers (industry and tertiary sector), as well as public or private energy companies, such as distribution companies or resellers. Sales to Giants are coordinated with B3G (Business Line Global Gas & LNG) and BEF (Business Line Energy France), through GDF SUEZ Global Energy.

3. Organisation and management principles

3.1. Context: The GDF SUEZ Organisation Model

The reader should refer to the Group reference note: “*GDF SUEZ organisation and management principles*” (GDF SUEZ 2008 -001 B), for the description the management and organisation principles, the structure and the governance bodies of the Group.

The paragraphs below describe the main Group concepts that are relevant for the GDF SUEZ Energy Europe & International organisation.

3.1.1. Group Executive Structure

There are two executive structures respectively charged with formulating strategy and tracking its operational implementation:

- the Management Committee which manages the Group, and
- the Executive Committee which considers questions and decisions relating to the strategy, the development or the organisation of the Group, and to its overall management.

A limited number of Enterprise-level Committees ensure coordination between the various entities of GDF SUEZ in order to document or to make transversal decisions. The list and the responsibilities of these Enterprise-level Committees are detailed in the above-mentioned GDF SUEZ reference note.

3.1.2. Group Organisation model

3.1.2.1. Management Levels

The GDF SUEZ organisation has three management levels:

- Corporate: the company's general management structure and unified support structures (Functional Divisions). The Corporate level steers the company, and is responsible for managing strategy and financial performance.
- Business Line: the structure aimed at integrating several operational activities around the main businesses of GDF SUEZ.

- Business Unit (BU): the structure that groups activities which share homogeneous characteristics (market, competition, regulation, cost structure or geography), reporting to a single Business Line. The Business Units are the elementary reporting units followed at GDF SUEZ enterprise level.

Managers at all levels are responsible for the economic and operational performance of all entities within their perimeter.

GDF SUEZ is organised into:

- six operational Business Lines (5 Energy Business Lines and 1 Environment Business Line) which steer all the Business Units;
- several functional Divisions - at Corporate and Business Line level - which are subdivided into Services made up of Departments.

Management structures prevail over underlying legal structures for the steering of the Group. The management may, however, rely on existing legal governance bodies (e.g., Board of Directors). Any legal or regulatory obligations shall also be taken into account, and governance procedures respected (e.g. regulated network infrastructure, minority shareholders,...).

A Business Line or a Business Unit does not necessarily correspond to a legal structure. A Business Unit can comprise several legal entities and has to abide by legal mandates and corporate rules that may exist.

3.1.2.2. Management Modes for Functional Processes

For different functional processes, there are four possible management modes:

- Globalised: this defines the functional processes that are carried out exclusively at Corporate level, and which cannot be delegated in any way to the Business Lines or Business Units with a single hierarchical link at Corporate level.
- Shared Expertise: this covers activities for which it is worth sharing experience and competencies in Centres of Expertise coordinated across the Group to maximise the effect of experience, sharing of best practices and consistent application of these best practices and/or corporate standards, e.g., project financing. Corporate, Business Lines, Business Areas and Business Units enter into Service Level Agreements with the Centres of Expertise with adequate compensation.
- Shared Services: this covers support activities that are transactional in nature (i.e., employee administration, accounting) and is characterised by a number of standardised and recurring activities. These activities are pooled in Shared Service Centres at the relevant level and coverage. Corporate, Business Lines, Business Areas and Business Units enter into Service Level Agreements with the Shared Service Centres with adequate compensation.
- Distributed: this covers functional processes following the functional line across the management levels of GDF SUEZ and whose staff members are therefore distributed among these levels, to support the management at each level, e.g. management control.

3.1.2.3. Mission of the Business Line

The mission of the Business Line is to maximise operational value creation of each of their Business Units through the definition and implementation of adequate business strategies, the monitoring of operational performance and building on synergy between Business Units.

The Heads of the Business Lines are responsible for the economic and operational performance of their Business Line, and every Business Unit within its perimeter:

- The Business Lines set up contractual economic and operational objectives with every Business Unit, based on a delegation from the Corporate level.
- The performance of the Business Lines is measured by means of aggregated indicators, as well as through Business Unit specific indicators.
- The Business Lines are responsible for implementing Group policies and for the transversal initiatives within their perimeter.

3.2. BEEI Business Model

3.2.1. Objective

The objective of the BEEI organisation is to create more value for GDF SUEZ than just the sum of the different parts of the worldwide businesses. The Business Line therefore targets:

- Implementing Group strategy, in accordance with GDF SUEZ organisation and management principles;
- steering BL performance;
- optimising synergy within BEEI and across the Group;
- enabling future developments and growth, in a challenging economic environment; and at
- increasing effectiveness and efficiency through shared working methods, procedures and tools.

More specifically, the organisational model for the BEEI is designed to:

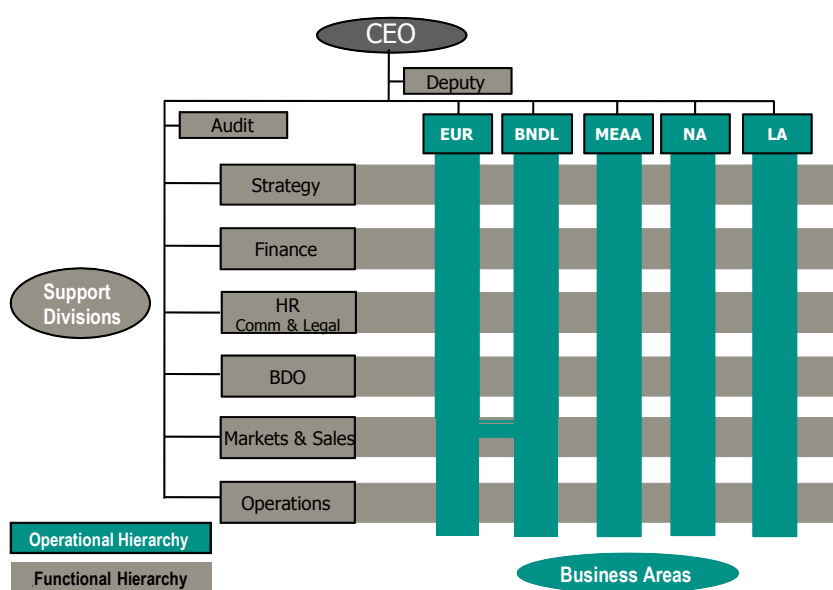
- make operations more flexible and able to anticipate and/or react to market developments;
- ensure a strong focus on strategy, business development, and operations;
- ease the development of competencies using worldwide experience;
- allow the definition of governance, exchange of best practices;
- guarantee support to the operations and business development activities;
- create synergy between the Business Areas and with the other GDF SUEZ Business Lines; and to
- reinforce supervision of BEEI operations.

3.2.2. Structure of the BEEI Organisational model

As the energy business is in the first place a local activity, with specific local rules and legislation, and with local customers, local knowledge and focus is essential for our global organisation. In addition, local operations have to benefit from being part of a worldwide organisation. Therefore the BEEI business model is based on an organised decentralised structure, in which:

- the local teams have the flexibility and the responsibility to run and develop their business and
- the support teams at Business Line level provide direction, ensure consistency, provide expertise and oversight to ensure continuous improvement across the businesses.

A fundamental feature of the matrix structure is the ability to work across functions and in many disciplines, which allows effective exchange of knowledge. In this structure strong entrepreneurial spirit alongside discipline and motivation is encouraged.



The BEEI business model is structured as a matrix organisation combining regional responsibilities with Business Line support responsibilities.

The Business Line is divided into five geographical Business Areas:

- Benelux & Germany (headquarters in Brussels),
- Europe (headquarters in Paris),
- Latin America (headquarters in Florianopolis, Brazil),
- North America (headquarters in Houston, US), and
- Middle East-Asia & Africa (headquarters in Bangkok, Thailand)

Each Business Area is headed by a Regional Manager who represents the CEO of the BEEI in his region. He is responsible for proposing strategy, running regional operational activities, and ensuring business development.

A specific Trading and Portfolio Management organisation (TPM Europe) is shared between BA Benelux & Germany and BA Europe.

The Business Area has a high degree of accountability and flexibility and hence is considered as a Business Unit, the elementary reporting unit followed at GDF SUEZ Enterprise level (reference: *GDF SUEZ 2008 -001 B "GDF SUEZ organisation and management principles"*).

The Business Areas are coordinated by a "lean" corporate structure at BEEI headquarters (BEEI HQ) in Brussels, composed of six Support Divisions:

- 3 Functional Divisions: Strategy, Finance and HR, Communications and Legal
- 3 Operational Divisions: Operations, Markets and Sales and Business Development Oversight

The BEEI HQ functional and operational managers work through their counterparts in the Business Areas. They are responsible for:

- the set up of the BEEI medium and long term strategy and direction;
- the development and implementation of common procedures and methodologies;
- the appropriate level of oversight and policy control;
- the transfer of operational knowledge, expertise and experience to the businesses; and for
- the development of synergy within BEEI and with the other GDF SUEZ Business Lines or Functional Divisions.

The BEEI HQ is a lean organisation, equipped for maximum efficiency and designed to create added value, through:

- a service orientation attitude towards the internal business partners in the Business Areas,
- an acceptance based upon competencies and credibility rather than upon hierarchical links, and
- a learning attitude and a knowledge-sharing culture.

Annual objective setting and evaluation of all matrix functions is realized through a fifty/fifty balance between the regional dimensions (Business Areas) and cross-business support functions.

The Audit team allocated to BEEI is part of the global GDF SUEZ Audit organisation.

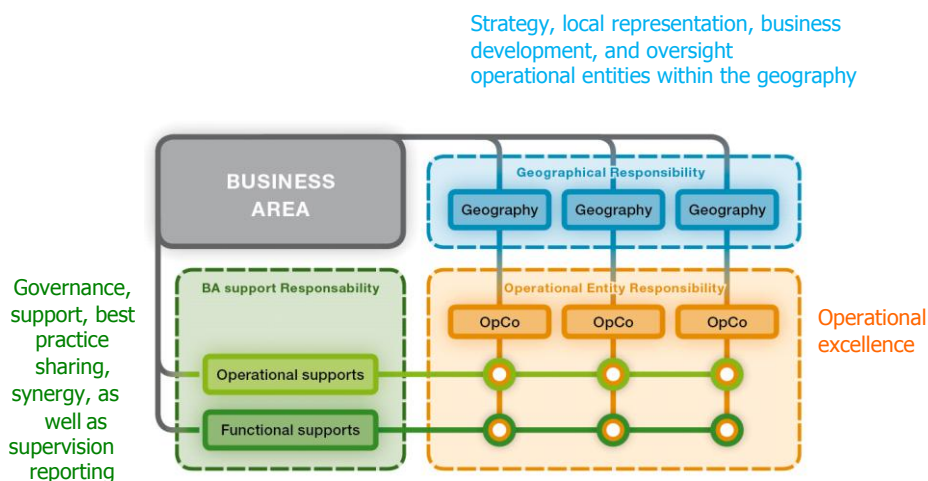
3.3. Business Area Organisational Model

3.3.1. Generic Business Areas Model

The overall business model selected for the Business Areas (BA hereafter) is a matrix organisation combining geographical responsibilities, operational entity responsibilities, and regional support responsibilities:

- The main responsibilities of the Geographical Areas include strategy, local representation, business development, and oversight of operational entities within the geographical areas. It is headed by a Country Manager.

- The Operational Entities (also called Operational Companies: “OpCos”) are responsible for their operational excellence as well as for their present and future performance.
- The BA Operational and Functional Support Functions ensure the required governance, support, best practice sharing, synergy, as well as oversight and reporting, as local representatives of the Business Line Support functions.
- A Business Entity (BE hereafter) is defined as the organisational level reporting to the Head of the BA. Depending on the BA, Business Entities are either Geographical Areas and/or OpCos.

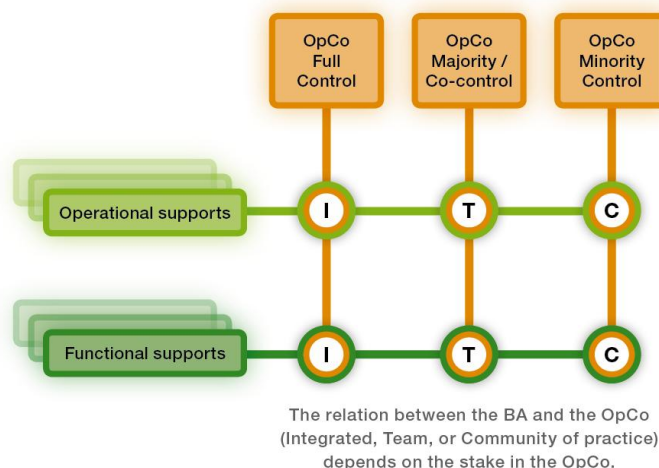


3.3.2. Relation Principles between Business Area and Operational Entities

The CEO of Operational Entities (OpCo) reports to the Board of the OpCo and to the Country Manager and/or to the Head of the BA. The latter should be the chairman of the Board - or at least a director - to avoid corporate governance issues in cases where the Group has a minority stake.

Relations between the BA Support Functions and the Operational Entities depend on the GDF SUEZ stake in the OpCo:

- For the Operational Entities in which the Group has a minority stake, the Community of Practice (CoP - C) network principles are applied, as a minimal requirement. The CoP principles are based on effective exchange and sharing of information and knowledge. There is no reporting between the OpCo functions and their counterparts in the BA, but they are both part of the same Community of Practice. It is encouraged to have Service Level Agreements (SLAs) between the OpCo and the BA.
- For OpCos in which the Group has a majority or a joint control position, the Team (T) network principles are applied, as a minimal requirement, subject to governance. A Team network is a CoP strengthened by the required compliance to guidelines/procedures and directives issued by the BA or the Business Line. These guidelines/procedures and directives are channeled through the BA hierarchy and require monitoring of compliance by the BA support functions. SLAs are encouraged but not mandatory. Outsourcing to third parties is done in coordination with resulting SLAs.
- For the Operational Entities in which the Group has full control, the Integrated network principles (BEEI matrix relations) are applied. All OpCo functions report to the CEO of the OpCo and to their counterparts at BA level (Matrix 50/50), although it is not mandatory to mirror BA structure in each OpCo. There's a full coordination between BA functions and the Board. When the Support Functions are not available in the OpCo they are outsourced to the BA.



All three network types aim at creating value by supporting Operational Entities, exchanging best practices, achieving synergy, and enabling (where necessary) oversight. These network functioning modes ensure the access of the OpCos to the Group, Business Line and Business Areas competencies and resources.

3.3.3. Guiding Principles Related to Specific Disciplines

Specific organisational principles are outlined for three cross-business (inter BA) disciplines.

- Trading and Portfolio Management (TPM), characterised by:
 - A two levels organisation:
 - Trading and Portfolio Management (TPM), in charge of Trading and Central Portfolio management at (clustered) BA level, and
 - Local Portfolio Management (LPM) activities, with an organisation that can vary depending on the market situation within the BAs.
 - Profit and Loss (P&L) allocation principles:
 - Portfolio Management hedges the commodity exposure on behalf of Operational Entities. The P&L resides in the BAs or the BEs.
 - When for well identified matters the P&L resides at TPM level, it is allocated to the BAs using standard criteria.
 - A Governance and Risk Control organisation operating at different levels:
 - TPM Governance Committee covers the policy and operational governance dimensions for the TPM activities in BEEI. (see 4.1.4)
 - Governance for Trading and Portfolio Management is ensured by the Division Markets and Sales of the Business Line.
 - A Risk Committee covers trading activities and credit risk. (see 4.1.4)
 - Risk Control measures and guides compliance, approves credit risk and new products.
 - Compliance with risk policies for trading, credit and portfolio management is ensured by the Finance Division of the Business Line and delegated to the CFO's of BA's as appropriate.

Particularities within the BAs are described in sections 4.2.1. Benelux & Germany , 4.2.2. Europe and 4.2.4. North America.

- Information Systems (IS), organised into three distinct structures:
 - For BEEI, IT Infrastructure is organised by GDF SUEZ through Shared Service Centre on a geographical basis, and today covers most of BA Benelux & Germany. Other countries in Europe could be added after analysis of necessity and efficiency.

- Existing Application Services Centres (ASC) are located where they bring the highest added value for the business (at the Business Area or Business Entity level). The internal IS Expertise Centres and Service Centres work in a vendor-customer relationship:
 - Critical competencies are kept in-house to reduce risks
 - Expertise Centres are composed of specialists on different continents – a network of persons is geographically spread but centrally organised.
- IS Governance is exercised through an IS Governance Committee (combining IS and the *métiers*) and complies with GDF SUEZ IS Governance. Its mission is to enhance IS governance, monitor performance and risks and manage the related process.
- Generation Support

The organisational model for support to generation is based upon on a market driven approach (free selection and use of internal and external suppliers at market price) with strong emphasis on the promotion of synergy (through for example the preferred status of internal suppliers for critical expertise, the common development of best practices, SLAs to maintain critical and rarely required competencies).

4. Organisation of BEEI

4.1. Governance of BEEI

4.1.1. Delegation of Authority

The daily management of BEEI is looked after by the CEO of BEEI and the Deputy to the CEO, with a delegation of authority towards the Regional Managers of the Business Areas and the Heads of the Support Divisions and with a right of sub-delegation towards the Business Entity level.

4.1.2. Executive Committee of BEEI (Excom)

The role of the Executive Committee of BEEI (hereafter Excom) is to assist BEEI's CEO in decision making, and to coordinate the action of the different Business Areas and functions.

The Excom members are: the CEO of BEEI, the Deputy to the CEO, the Regional Managers of the Business Areas and the Heads of the Support Divisions.

The Excom of BEEI gathers on a biweekly basis in Brussels.

4.1.3. Commitment Committees in BEEI

At Group level, commitments have to be approved as outlined in the CDE (Comité des Engagements: GDF Suez Commitment Committee) procedure. Approval for commitments is formalised in Commitment Committees (CC) and follow a cascade depending on thresholds. Approval for commitments is only final after the decision of the last committee in the cascade.

Within BEEI, commitment decisions are taken at the level of the Business Line Commitment Committee (BCC) or the Business Area Commitment Committee (ACC), depending on the thresholds decided by the ExCom, as described in the BEEI Business Development (BD) procedure:

- The BCC approves the commitment projects and, if required by thresholds, submits them to the CDE. It is chaired by the CEO of the BEEI and its members are the members of the BEEI Excom plus the BEEI General Counsel and a representative of AIFA. It gathers every two weeks, just after the BEEI Excom session. The different steps in the process are defined in the BEEI BD procedure.
- The ACC decides on projects below the thresholds defined in the BEEI Business Development procedure. The organisation of the ACC is defined by each Business Area.

4.1.4. TPM Governance, Hedging and Risk Committees

Within BEEI, the following Committees take care of governance and risk control:

- The TPM Governance Committee sets the governance structure and the delegation of responsibilities, the policy aspects for the TPM activities and the operational governance (budget, HR, IS, ...). It is chaired by the CEO of the Business Line.
- The BNDL/EUR Hedging Committee covers the portfolio management activities of the two European BEEI BAs. It approves global risk limits, policies and hedging strategies. It verifies compliance with risk mandate limits. It is chaired by the CEO of the Business Line.
- The BNDL/EUR Risk Committee covers trading activities and the counterparty credit risk of the two European BEEI BAs. It verifies compliance with credit and trading policies. It approves operations beyond those policy limits, new markets and tenors as well as credit limits. Its is chaired by the CFO of the Business Line.
- The GSENA Risk Committee is delegated authority by the GSENA's ExCom to set limits and policies and to respond to changes in the portfolio or markets. It acts as the link with BEEI in regards to this policy.

4.1.5. Additional BEEI Governance Committees

A limited number of additional Business Line Committees, chaired by the CEO or a person appointed by the CEO, assists with coordination between the different BAs and deciding on cross-business topics.

- The Budget and Forecast Review Committee reviews and validates budgets, ensures governance on assumptions and definitions and ensures roll-out of strategy. These committees gather quarterly between BL management and BA management. The Committees are chaired by the CEO.
- People and Position Review Committee covers job evaluation, remuneration and succession planning. It is chaired by the CEO.
- IS Governance committee enhances IS governance, monitors performance and risks and manages the related process. It is chaired by the Head of BEEI Operations, appointed by the CEO.
- The BEEI Board Nomination Committee reviews and approves the proposed nominations of Board members in the BEEI affiliates. It is chaired by the CEO of the Business Line.

The Functional and Operational Managers can define their own committees.

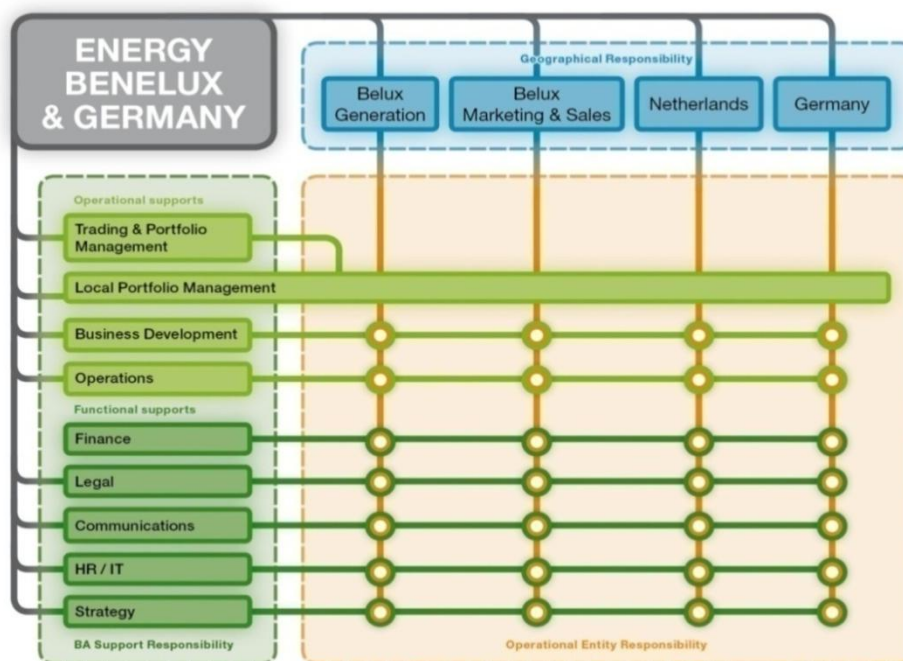
4.2. The Operational Structure of BEEI

The generic BA model has been translated for each of the Business Areas, taking into account their inherent characteristics and specificities.

4.2.1. Benelux & Germany

The Business Area Energy Benelux & Germany covers four countries - Belgium, Luxembourg, The Netherlands and Germany - and is divided into four Operational Business Entities:

- Belux Generation is in charge of the Belux nuclear, thermal and renewable power generation operations and their development. It is managed with operational KPIs (key performance indicators).
- Belux Marketing and Sales sells products and services to industrial Giants and B2B clients as well as to B2C clients in Belux. It is responsible for the operational performance and the development of the Marketing and Sales activities in the Belux area.
- Netherlands is responsible for the operational performance as well as for the development of all activities in the Netherlands.
- Germany is responsible for the operational performance as well as for the development of all activities in Germany.



Cross-business Operational Support is strengthened through the creation of an Operations Function that combines Generation, Marketing and Sales, Health and Safety, Environment, Security and Nuclear Safety (HESN), and Procurement. This function ensures the implementation of the required governance, provides support, facilitates and encourages best practice sharing, identifies and stimulates synergy, and oversees operations across the Business Entities.

A Chief Business Developer is in charge of coordinating and challenging the business developers in the Business Entities. He coordinates the relations with BDO (BEEI Business Development Oversight), and contributes to the product development and innovation.

The BA Functional Supports, responsible for ensuring the required governance, support, best practice sharing, synergy, and oversight. They are distinguished from the Business Entity Supports and concerns:

- Strategy: Strategy, Regulatory Affairs, Sustainable Development
- Finance: Finance, Business Control, Middle Office, AIFA, Insurance
- Legal: Legal and Ethics
- Communication: Internal and external communication
- HR/IT: HR, IT, Performance, General Services

Specific functional support activities are shared across the Benelux & Germany Business Entities when this creates added value for the BA and its Business Entities. These Shared Supports are differentiated from the BA Supports, they report to the responsible BA Support, and have a functional relation with the BE Supports concerned. The BE managers remain fully accountable for running their operations.

A specific Trading and Portfolio Management organisation (TPM Europe) is shared between BA Benelux & Germany and BA Europe and is in charge of Trading and Central Portfolio Management (CPM) activities. It manages the financial commodity exposure in interaction with Local Portfolio Management (see below). The Head of TPM Europe reports to both Heads of the BAs and to the Head of Division Markets and Sales BEEI. (See also 3.3.3 for guiding principles).

There is a single Local Portfolio Management (LPM) for Benelux & Germany, with teams for costing, grid related issues and local fuels procurement. LPM is matrixed operationally to the Head of the BA and functionally to TPM Europe for TPM related activities.

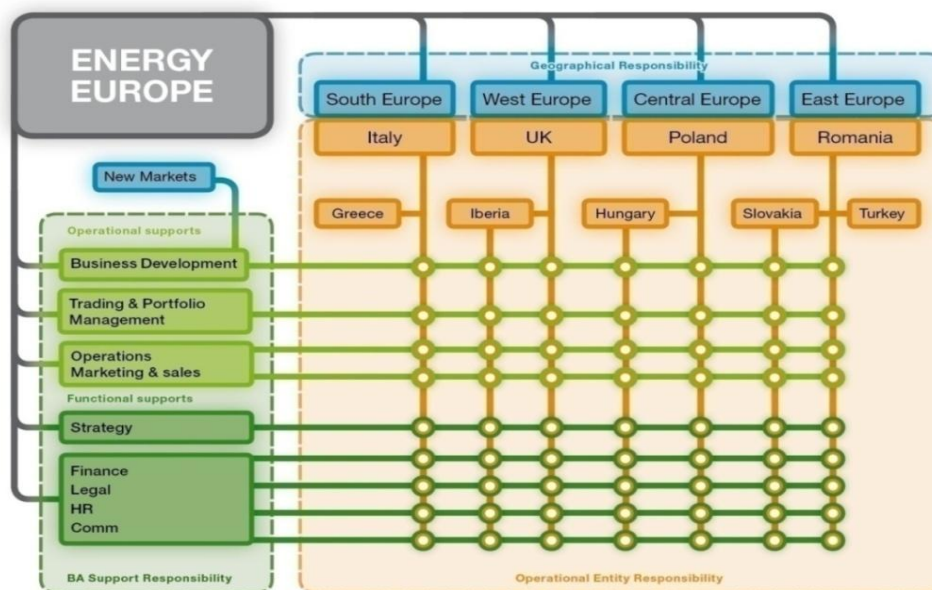
Trading services for short term portfolio managers (physical optimisation) are part of LPM and trading services for long term portfolio managers (financial optimisation) are part of CPM.

One single Risk Control organisation covers the two European BEEI BAs.

4.2.2. Europe

The Business Area 'Energy Europe' is built around seven Operational Companies. Among these seven OpCos, four of them (the "Lead OpCos") report directly to the CEO of the Business Area. Each of the other three OpCos reports to the CEO of one of the Lead OpCos. Greece is an operational entity integrated into the Italy OpCo. Similarly, Turkey is integrated into the Romania OpCo.

The CEO of each OpCo is responsible for the P&L and its development in his geographical area. For monitoring and control tasks, the CEOs of the OpCos rely on BA support resources (if necessary delocalized) or, if more convenient, on resources of the OpCo.



The Operations and Marketing and Sales (M&S) cluster is in charge of M&S, Generation, Infrastructures (Transmission, Distribution and Storage), IT, HESN, Procurement and Data Collection. Operational Support is strengthened through the Chief Operational Officer function whose responsibility is to:

- support the OpCos in terms of operational and maintenance expertise;
- establish norms and methods and enforce them in the organisation;
- monitor performance, conduct performance reviews and establish performance diagnosis; and to
- carry out corrective action and performance improvement projects.

The BA Chief Business Developer supports the Head of the BA in managing the business development portfolio for the region. He manages the development of new geographical area/countries, challenges the Country Managers' projects, and ensures the interface with Business Development Oversight.

The main Functional Support activities are as follows:

- Strategy: PAMT and Asset Portfolio Management, ERM and Regulatory Affairs, Economic Studies, European Affairs and Sustainable Development, Market intelligence
- Finance, HR, Communication and Legal: Finance, Energy Risk Strategy, Internal Control, Legal and Ethics, HR and Communications.

Relations between the support functions of the BA Europe and the OpCos are, apart from some exceptions (e.g. Slovakia), fully matrixed. This means that for all the matrixed functions, there is a balance between the geographical management and the support management. This applies particularly to nominations, determination of objectives, evaluation and compensation.

Based on the general principles as described section 3.3.2, the BA Support Functions develop relations with their counterparts in the OpCos to enable effective support, best practice sharing, synergy, oversight and reporting.

TPM Europe (shared with the BA 'Benelux & Germany') is in charge of Trading and Central Portfolio Management activities. The organisation of Local Portfolio Management (LPM) depends on the market situation. Local Portfolio Managers are matrixed operationally to the Head of the respective Lead OpCo and functionally to TPM for the TPM related activities. (See also 3.3.3 for guiding principles and 4.2.1 for additional information on the shared TPM activities)

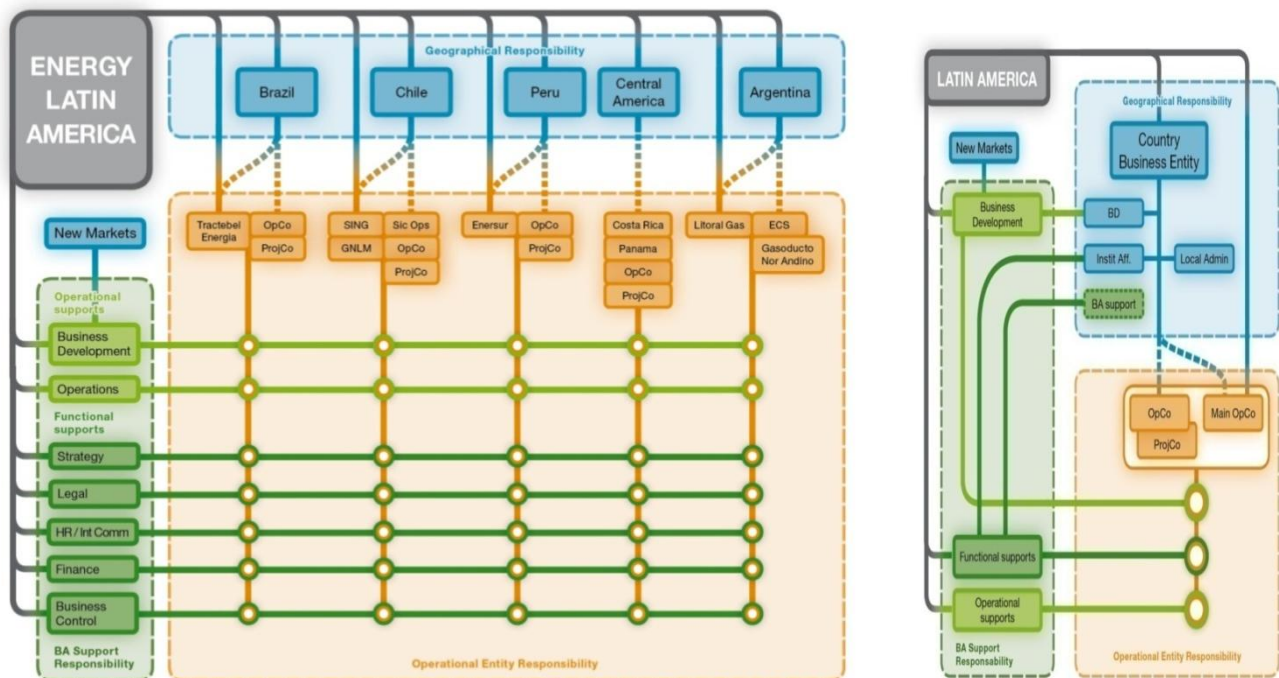
4.2.3. Latin America

The Business Area 'Latin America' is divided into five geographical Business Entities which are managed by Country Managers, whose objectives are to develop sustainable stronghold/system play positions in several countries. Country Managers are responsible for the P&L and its development in their geographical area.

The Operational Entities report to the Country Manager. Exceptionally, for the main OpCos, there is a double link with the Country Manager and the Head of the BA:

- the Country Manager has the lead on the coordination of the institutional relations, business development and daily coordination and
- the Head of the BA has the lead on managing the strategy, investments, operational objective setting and evaluation.

New markets are the responsibility of the Chief Business Developer.



The model is based on division of the support, the Country and the OpCo roles and on balance between management of GDF SUEZ interests and OpCo interests (in case of partnerships).

The Country Business Entity staff includes: institutional relations and communications staff, business developers and local administration staff. Other staff required by the country is delocalized BA staff.

Operational Support is strengthened through the Chief Operational Officer, whose responsibility is to:

- support the OpCos in terms of construction, operation, and maintenance expertise

- establish norms and methods and enforce them in the organisation
- monitor performance, conduct performance reviews and establish performance diagnosis
- conduct corrective action and performance improvement projects

Operations Support covers the following areas: Generation and Construction, Transmission and Distribution, HESN, Procurement, IT, Innovation, Data Collection and External Communication.

The BA Chief Business Developer supports the Head of the BA in managing the BD portfolio for the region. He manages the development of new countries/geographical areas, challenges development projects and is the interface with BEEI BDO.

The main Functional Support activities are as follows:

- Strategy: Strategy, ERM, Economic Studies, Regulatory Affairs, Sustainable Development
- Finance: AIFA, Globalised Finance
- Business Control: Business Control, Risk Control and Insurance.
- Legal: Legal and Ethics
- HR/Internal Communication: Talent, Compensation and Benefits, Internal Communication, Data Collection

The BA Functional Supports can be geographically distributed (i.e. Strategy, Legal, AIFA, BC, ...).

Based on the general principles described in section 3.3.2, the BA Support Functions develop relations with their counterparts in the OpCos to enable effective support, best practice sharing, synergy, oversight and reporting.

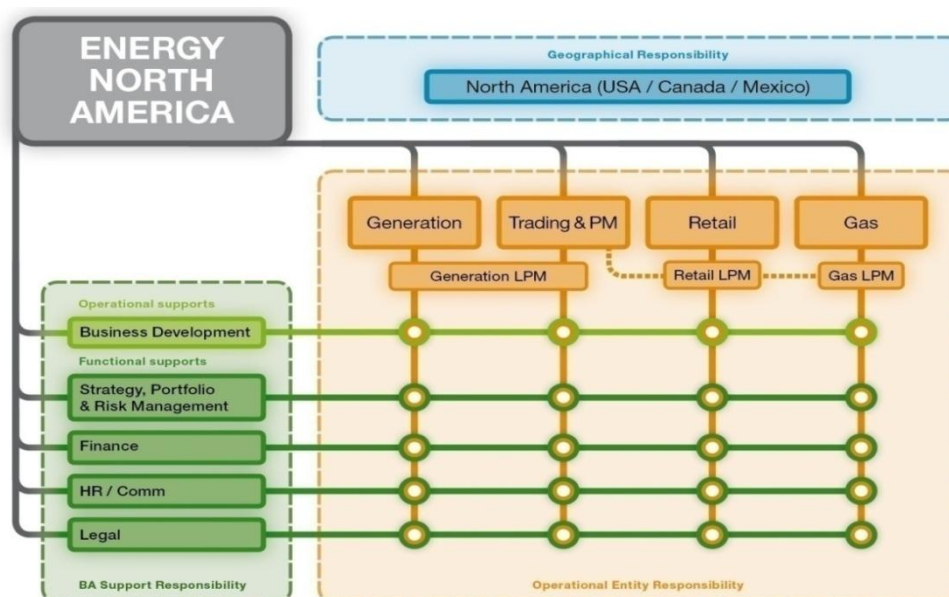
4.2.4. North America

The Business Area Energy North America' is managed as one single geographic area based upon a value-chain organisation.

It is divided into four Business Entities:

- The Generation Business Entity manages power generation operations in North America, including natural gas-fired, renewable, and thermal plants. It focuses on operations, and with the Trading and Portfolio Management Business Entity it is jointly responsible for delivering the current year P&L for the generation assets through a single Generation LPM.
- The Retail Business Entity provides commercial and industrial clients in North America with products and services to help them control costs when procuring electricity. It is responsible for delivering the current year P&L for retail activities.
- The Gas Business Entity manages the liquefied natural gas operations and gas sales to large customers in the US, and LDCs and gas transmission in Mexico. It is responsible for delivering the current year P&L for the gas activities.
- Trading and Portfolio Management Entity is responsible for optimising the overall portfolio over the current year and beyond, so as to improve the margin at risk over the PAMT period (*Plan à Moyen Terme*). It carries out all hedging activities for Energy North America, manages origination and procurement for the entire BA, and manages trading operations. LPMs are embedded with each of the Business Entities. TPM with the Generation Business Entity is jointly responsible for delivering the current year P&L for the generation assets through a single Generation LPM. All P&L is allocated to the Business Entities. Only Trading P&L remains within TPM. A Risk Control organisation covers the NA Operations (see 4.1.4. for the GSENA Risk Committee).

The Mexican activities remain under the Gas and Generation Business Entities, but are organized with a stronger regional dimension through the creation of a Country Manager function. The Country Manager coordinates Mexican operations. He is responsible for coordinating support activities, regulatory affairs within Mexico, and cross-business integration of support activities and reporting information for Mexico.



Five BA Support Functions ensure support for the BA's needs, and include the resources which are delocalized in the Business Entities. BA Supports are distinguished from the (shared) Business Entity Supports.

Through Integrated type relations with their counterparts in the Business Entities, the BA Supports ensure the required governance, support, best practice sharing, synergy, oversight and reporting across the region.

Operational Support is organised via the Business Development Support function, and covers business development, project development and construction. This support function is in charge of:

- coordination of all Business Development activities of the BA;
- market intelligence, origination, project development and construction; and of
- coordination with the Business Entities involved

The Chief Business Developer is the unique interface with the Business Development Oversight at Business Line level.

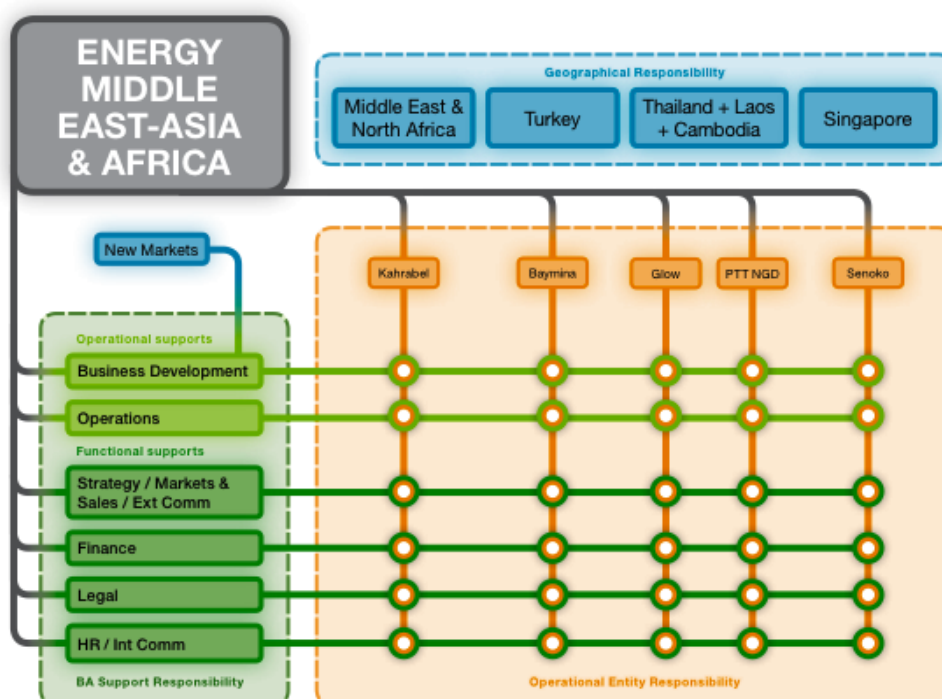
The main Functional Support activities are as follows:

- Strategy, Portfolio and Risk management: Strategy and Sustainable Development, AIFA, Quantitative Analysis, Fundamental modeling, IT
- Finance: Finance, Accounting, Business Control, Middle Office, Insurance and Procurement Control
- Legal: Legal and Ethics
- HR/Communication: HR, Communication and Offices Services

Based on the general principles as described in section 3.3.2, the BA Support Functions develop relations with their counterparts in the OpCos to enable effective support, best practice sharing, synergy, oversight and reporting.

4.2.5. Middle East, Asia & Africa

The Business Area Energy 'Middle East, Asia & Africa' is divided into four Geographical Areas and is organised as five main OpCo/Business Entities. The CEOs of these main OpCos report to the Head of the BA and are responsible for the P&L and its development in their territory and/or scope of activity. New markets are the responsibility of the Chief Business Developer.



Operations Support covers the following areas: Generation, Transmission and Distribution, HESN, Procurement, IT, Data Collection and Insurance.

The Operational Support is strengthened through the Chief Operational Officer whose responsibility is to:

- support the OpCos in terms of operations, maintenance and construction expertise,
- establish norms and methods and enforce them in the organisation,
- monitor performance, conduct performance reviews and establish performance diagnosis, and
- conduct corrective action and performance improvement projects.

The BA Chief Business Developer supports the Head of the BA in managing the BD portfolio for the region, manages the development of new geographical area/countries, challenges OpCo projects and is the interface with BDO.

The main functional activities are as follows:

- Strategy, Markets and Sales, Communication: Strategy, ERM, Economic Studies, Regulatory Affairs, Sustainable Development, Organisation and Business Quality, Trading and Portfolio Management, Marketing and Sales, External Communications.
- Finance: Globalised Finance, Business Control, AIFA, Risk Control.
- Legal: Legal and Ethics
- HR: Talent, Compensation and Benefits, Data Collection and Internal Communication.

The BA Functional Supports include shared resources that are centralised in the main OpCos.

Based on the general principles as described in section 3.3.2, the BA Support Functions develop relations with their counterparts in the OpCos to enable effective support, best practice sharing, synergy, oversight and reporting.

4.3. Support Divisions of BEEI

4.3.1. Strategy

Strategy is composed of four supporting services:

Strategy

- Ensures a coherent approach to strategy in BEEI;
- Promotes, activates and coordinates strategic assessment, strategic formulation and planning throughout BEEI; and
- Promotes prospective and scenarios analysis.

Enterprise Risk Management and Economic Studies

- Ensures a coherent approach to ERM and Economic Studies and contribute to lower risk by accurate analysis of the economic context;
- Promotes, activates and coordinates risk awareness, Enterprise Risk Management throughout BEEI; and
- Activates economic studies when required.

Sustainable Development and Regulatory Affairs

- Promotes, activates and coordinates Sustainable Development throughout BEEI; and
- Promotes, activates and coordinates Regulatory Affairs throughout BEEI.

Organisation and Business Quality

- Ensures a coherent approach on organisational matters;
- Supports and advises BEEI BAs and BEs on improving their maturity and performance;
- Promotes continuous improvement of organisations and management systems;
- Ensures the implementation of the Organisation model;
- Coordinates the Efficio plan (Synergy and Performance plan, including transversalities [= cross-business activities?]);
- Coordinates Internal Control program (INCOME) and activities within the BL; and
- Organises and promotes knowledge management in the BL.

4.3.2. Finance

Finance is composed of three services:

Business Control

- Monitors and challenges the BAs' budget, visées, PAMT and KPIs;
- Supports the business performance management process and statutory closing by assuring the consolidation of actual and provisional financial data; and
- Supports Business Development Oversight and BAs by giving advice related to accounting standards and the optimal structuring of businesses.

Risk Control

- Ensures the performance and coherence of the Risk Control Process in the BAs of BEEI by defining cross-business objectives, procedures, frameworks,... and
- Ensures an efficient and effective control of compliance with the different risk policies for trading, credit and portfolio risks.

Globalised Finance Functions

- Provides the interface with the Centre, protecting the interests of BEEI relating to global financial processes;
- Ensures the implementation of cross-business financial projects in the BL; and
- Detects and ensures the creation of synergy in the Financial area

4.3.3. HR, Communications and Legal

This Support Division is composed of six services:

Talent Management

- Strengthens the development of talent (staffing, competency management, training, career development and mobility, people and position review, performance and competency review, succession planning) for the shared populations and global topics for all populations;
- Initiates the HR role in change management across the BL; and
- Fosters the link between the various company cultures within BEEI.

Compensation and benefit management

- Strengthens the compensation and benefits management (contracting and termination, job position management, compensation structures, insurance, medical, benefits, savings plans, ownership plans, pensions) for the shared populations and global topics for all populations; and
- Fosters the link between the various company cultures within BEEI

HR Info and Reporting

- Is an efficient databank of all relevant BL HR data, files, and other general information to serve the other HR organisational units; and
- Is the process owner for manpower planning and social reporting for the BL.

BEEI HQ HR and Real Estate / Logistics

- Provides HR activities for the resources of the BL HQ; and
- Provides Real Estate and logistics support for the BL HQ.

Communications

- Provides a channel from and to the Centre for the dissemination of communications policies, procedures and actions across the BL;
- Re-enforces internal communications across BEEI;
- Creates synergy, consistency, best practice sharing and support; and
- Provides communications services for the CEO of BEEI

Legal and Ethics

- Manages the legal risks of BEEI activities in operations and business development;
- Ensures activities are conducted in compliance with law, applicable regulation and internal policies;
- Manages the BEEI legal organisation within the cascade; and
- Promotes ethical behaviour and ensures compliance with GDF SUEZ Ethics rules.

4.3.4. Operations

Operations is divided into the following services:

Generation

- Strengthens governance; and
- Provides support to and monitors generation activities (conventional, nuclear, renewables) in order to increase the operational effectiveness and project profitability across the business lines of the GDF SUEZ Group.

Transmission and Distribution (gas and electricity)

- Strengthens governance; and
- Provides support to and monitors BEEI's transmission and distribution activities in order to increase the operational effectiveness and maximise sustainable profitability within the regulatory framework, and in coordination with the other business lines of the GDF SUEZ Group.

LNG and Underground Storage

- Strengthens governance; and
- Provides supports to and monitors the BEEI's LNG and Underground Storage activities to increase operational effectiveness and project profitability and in coordination with the other business lines of the GDF SUEZ Group.

Data collection and reporting

- Provides technical and operational data collection, information management, and reporting; and
- Provides technical and operational business intelligence as a service provider to the Organisational Units of the Operations Support.

HESN (H&S / Environment / Security / Nuclear Safety)

- Strengthens HESN governance throughout the BL, in accordance with international governance and local legal framework;
- Identifies and assesses global HESN risk exposures at BL level; and
- Promotes and stimulates HESN culture and continuous improvement.

Information Systems

- Coordinates and optimises BEEI's IS activities in order to increase efficiency of the business; and
- Provides the necessary IS and Telecom coordination for BEEI HQ.

Procurement

- Coordinates and optimises BEEI Procurement activities in order to increase efficiency of the business; and
- Coordinates procurement for BEEI HQ.

4.3.5. Markets and Sales

This Division regroups the following services:

Giants

- maximizes both the overall P&L and the local P&L's of Giant accounts;
- Provides strategic marketing to steer the Giant activities;
- Provides BEEI supervision of Giant activities; and
- Organises and drives improvements to reinforce Giants sales activities.

B2B

- Organises and ensures existence and coherence of the BEEI governance;
- Creates synergy between the different business areas; and
- Provides expertise and support to Business Development and B2B operations.

B2C

- Organises and ensures existence and coherence of the BEEI governance;
- Creates synergy between the different business areas; and
- Provides expertise and support to Business Development and B2C operations.

Procurement and Portfolio Management

- Strengthens the governance and consistency of procurement, portfolio management, hedging, and asset margin optimization (PPM); and
- Maximises GDF SUEZ portfolio effects.

Trading

- Strengthens the governance and consistency of the trading, structuring, origination, and portfolio services of the Business Line.

PPMT IT Systems

- Fosters the performance of PPMT activities by supporting the strengthening of the PPMT dedicated IT systems; and
- Strengthens the performance of the BL through IT synergy and BL consistency.

Data collection and reporting

- Ensures effective operational performance monitoring and reporting in collaboration with business control, and drives divisional planning (PAMT, Budget); and
- Is the efficient depository of all relevant data.

4.3.6. Business Development Oversight (BDO)

Ensures alignment of the investment project portfolio with strategic, performance and risk policies

Project BDOs

- Observes best practices in Business Development, develops procedures, methods and organises knowledge management;
- Organises and provides supervision of Business Development processes;
- Ensures that look back exercises are correctly performed;
- Sets up planning of investment projects presentations to the investment committees of the BL and of the group. Secretary of the investment committee of the BL; and
- Provides BL interface with the secretary of the CDE.

Project Financial Advisory

- Checks consistencies in the approach to coordination with AIFA;
- Participates in BDO project review;
- Contributes to providing guidance and advice to the AIFA and Business Developers with respect to project structuring, evaluation and risk, return and project structure; and
- Contributes to the coordination of the evaluation part of the impairment exercise for Business Control.

5. Interfaces with Centre for main support processes

The main Support Functions which are not fully distributed amongst the Business Lines are listed below. They are managed according to the management modes Globalised, Shared Service or Shared Expertise, as described in section 3.1.2.2 of this document.

<u>Process/ Sub process</u>	<u>Management mode</u>
Strategic processes	
<ul style="list-style-type: none"> • Strategic watch and competitive intelligence • Economic Studies and Market Analyses 	<p>Shared Expertise</p> <p>Shared Expertise</p>
Coordination of representations process	
<ul style="list-style-type: none"> • Institutional and international relations 	Distributed, depending on the target
Control processes	
<ul style="list-style-type: none"> • Internal audit 	Globalised
Financial processes	
<ul style="list-style-type: none"> • Accounting in BE, NL 	Shared Services

• Consolidation	Shared Expertise
• Consolidation tools	Shared Expertise
• Accounting standards	Shared Expertise
• Cash Pooling	Globalised
• Financial Risks	Globalised
• Corporate income tax	Globalised
• Corporate financing	Globalised
• Project financing / AI&FA	Shared Expertise
• Insurance	Globalised
 Communications process	
• Institutional image and identity, sponsoring	Globalised
• Brand policy	Globalised
• Relations with analysts / big investors	Globalised
• Communications with individual shareholders	Globalised
• Multimedia communications	Shared Expertise
• Media / advertising space purchase	Shared Expertise
 HR process	
• Senior executive management	Globalised
• Personnel administration (BE, NL)	Shared Services
• Training	Shared Expertise
• Expatriate management	Shared Expertise
• Retirement management	Shared Expertise
 Legal process	
• Legal support / expertise	Shared Expertise
 Real Estate Management process	
• Real estate management	Shared Expertise
• Logistics Paris, Brussels, ...	Shared Services
 Purchasing process	
• Cross-business purchasing	Globalised
 IS processes	
• IS architecture	Globalised
• IS application management	Distributed / Shared Services
• IS infrastructure management	Shared Services
• IS project management	Distributed / Shared Services
 R&D processes	
• R&D steering	Globalised
• Management of R&D programs	Shared Expertise
Enterprise structuring and organisation	Globalised