

Remuneration

Remuneration Policy for the Management Board

When determining the remuneration of the members of the Management Board, Eneco Groep N.V. takes its special position in society into account by applying the market principle and the moderation principle.

Point of departure

The primary employment conditions of the Management Board are determined based on the Remuneration Policy for the Management Board, which was adopted by the General Meeting of Shareholders (AGM) of Eneco Holding N.V. on 20 May 2005.

The remuneration policy of the Management Board must enable Eneco Group to attract and retain qualified management. The median level in the General Market for Senior Executives is the reference point for the desired market position of the employee conditions of the members of the Management Board. Two policy principles are leading in this respect: the market principle and the moderation principle.

Market principle and moderation principle

The market principle means that Eneco Group should be regarded as a normal, commercial and market-oriented company. The moderation principle means that the Supervisory Board pursues a moderate remuneration policy in view of Eneco Group's history and because 100% of the shares of Eneco Groep N.V. are held by public shareholders (municipalities). This is why the Supervisory Board does not translate the benchmark with companies of a comparable size and complexity in the private sector completely into the current remuneration of the Eneco Group board members.

For the determination of the remuneration policy, the Supervisory Board applies the reference framework of the general employment conditions for senior executives,

which is based on the remuneration data of over 200 senior executives. In order to do justice to the market principle, Eneco Group has opted for a position around the median of the reference framework. We thus focus on the medium-large companies in the reference group and we avoid a comparison with the largest companies. In view of the moderation principle, we apply a reduction to the median outcome. In accordance with the remuneration policy approved by the General Meeting of Shareholders, Eneco Group applies a bandwidth of plus or minus 20% around the reference on the median. With the last salary reference point, the actual 'moderation' has risen to nearly 30% compared to the median.

Variable remuneration

As in previous years, the remuneration of the members of the Management Board - with the exception of the Chair of the Management Board - was again dependent on performance criteria in 2019. The four main criteria for variable remuneration were largely in line with the strategic themes and were:

1. financial result (EBITDA) (performance criterion for the CFO, CSGO and COO);
2. successful privatisation process (performance criterion for the CFO, CSGO and COO);
3. strategy, growth and acquisitions (performance criterion CSGO), restructuring (performance criterion COO) and in control (performance criterion CFO);
4. sustainability (performance criterion for the CFO, CSGO and COO).

Eneco Group publishes the remuneration report, which contains further details on the remuneration of the members of the Management Board, on the governance page of its corporate website.