

Composition of the Board of Directors

Following the General Meeting of 17 April 2003, and subject to approval of the proposed appointment, the Board will be composed of 14 Directors. The long-term aim, however, is to reduce their number to 12, whilst maintaining the current balanced distribution of Directors' terms of office.

There are no specific statutory rules relating to the appointment and renewal of tenures. The terms of office last for

3 years (6 years prior to 2001) and are renewable. The Appointments and Remuneration Committee has set an age limit of 72.

There are no internal regulations relating to the exercising of a Director's duties.

The Directors are selected by the Appointments and Remuneration Committee for their skills and qualities.

BOARD OF DIRECTORS

DIRECTORS ⁽¹⁾	First mandate	Last renewal	Term ends	Main mandate or function
Executive Directors				
Gilles SAMYN, Deputy Chairman	1988	1999	2005	Managing Director
Victor DELLOYE	1994	2000	2006	Director and General Counsel
Non-executive directors representing dominant shareholders				
Gérald FRÈRE, Chairman	1988	2001	2004	Managing Director of FRÈRE-BOURGEOIS
Jean CLAMON	1988	2000	2006	Member of the Management Committee of BNP PARIBAS
Laurent DASSAULT	1999	-	2005	President of DASSAULT BELGIQUE AVIATION
Thierry DORMEUIL	1994	2001	2004	Manager of Corporate Finance Department of BNP PARIBAS
Ségolène FRÈRE	1998	2000	2006	Director of ERBE
Philippe HUSTACHE	1995	2001	2004	Advisor to the President of GROUPE DASSAULT
Thierry de RUDDER ⁽²⁾	1988	2000	2006	Managing Director of GROUPE BRUXELLES LAMBERT
Pierre VAN OMMESLAGHE	1999	-	2005	Barrister at the Court of Cassation (Belgium)
Non-executive independent directors				
Pierre-Alain DE SMEDT ⁽³⁾	1997	2003	2006	Deputy Managing Director of the RENAULT Group
Jacques FOREST	1992	2002	2005	Chairman of the Executive Committee of P&V ASSURANCES
Henry MESTDAGH	1999	-	2005	President of the Board of the MESTDAGH Group
Philippe WILMES	1988	2000	2006	Company director

(1) The Directors are categorised on the basis of the nomenclature produced by the Appointments and Remuneration Committee.

(2) When he was appointed, Thierry de Rudder represented GBL, which was an indirect shareholder in NPM/CNP through its holding in Fibelpar. Although Thierry de Rudder is the Managing Director of GBL, a subsidiary of NPM/CNP, it was decided that he would not be listed amongst the Executive Directors in that GBL is not included in the restricted consolidation perimeter of NPM/CNP.

(3) Pierre-Alain DE SMEDT's term of office expires at the end of the Ordinary General Meeting of Shareholders of 17 April 2003; the meeting will have to decide whether to re-elect him.

Operation of the Board of Directors

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors organises the management and control of the Company. It makes strategic choices, investment, disinvestment and long-term financing decisions and, periodically, closes the Company's financial statements.

The Managing Director is appointed from amongst the Board of Directors; he is delegated the day-to-day management of the Company and is also granted specific powers. The

Managing Director regularly reports to the Board of Directors on his management and in particular the situation of the shareholdings, monitoring of the subsidiaries and management of treasury funds.

The Board of Directors appoints the members of the Board Committees (Audit Committee and Appointments and Remuneration Committee), to which it delegates specific tasks.

FREQUENCY OF MEETINGS AND DECISION-MAKING

The Board of Directors meets at least 4 times a year. It can also be convened in an emergency or for major operations. The most important subjects discussed are as follows:

- strategy, at the proposal of the Managing Director,
- selection and approval of investments and disinvestments, at the proposal of the Managing Director,
- monitoring of the shareholdings,
- reports from the Managing Director,
- reports from the various committees,
- examination and approval of the accounts (annual, half-yearly and quarterly),
- budget forecasts,
- preparation for General Meetings.

The relevant documentation is made available to the Board about the various points on the agenda to be discussed, at least two working days before each meeting.

For the Board's decisions to be valid, more than half of its members must be present or represented; all decisions are taken on a simple majority.

In the situations permitted by the law and articles of incorporation, decisions can be made by written unanimous agreement of the Directors. This option was not used in 2002.

In accordance with the legal regulations, the Board acts together as a body, in the interests of the Company, and no category of Director has precedence over another.

If a Director or dominant shareholder has a conflict of interests with the Company, the regulations set out by articles 523 and 524 of the Belgian Companies Code are implemented. This procedure was not applied during 2002.

There is no formal internal procedure specific to the Company that enables a Director to ask the Board for an independent expert opinion; it goes without saying that if a member made such a request, it would be granted. So, on request of the Audit Committee, an information meeting on the subject of IFRS accounting standards has been organised, to which all the members of the Board of Directors have been invited. In the event of a conflict of interests, the Board generally calls on independent experts. If necessary, the Committees of the Board call on outside advisors.

During 2002, the Board of Directors met 7 times, with a 68% attendance rate by the Directors.

REPRESENTATION OF THE COMPANY

In accordance with the articles of incorporation, the Company is validly bound by the signature of two Directors or the signature of the Managing Director alone in the context of his day-to-day management.

The Company has delegated this duty of representation mainly to the two executive Directors or, if necessary, the Chairman of the Board of Directors. The Board of Directors has also delegated special, limited powers to persons chosen from outside the Board.

REMUNERATION OF DIRECTORS

The Appointments and Remuneration Committee (see page 30) handles and sets the Directors' remuneration. With regard to the pay policy for Executive Directors, readers should refer to page 34.

Non-executive Directors each receive a fixed base annual remuneration of EUR 7,437; directors given special duties or members of the Committees of the Board receive an additional payment identical to the base remuneration.

The total gross remuneration and benefits in kind paid to the Members of the Board of Directors for the 2002 financial year are as follows:

(EUR ,000)	Executive Directors	Non-executive Directors
Fixed remuneration	1,156 ⁽¹⁾	141 ⁽²⁾
Variable remuneration.....	635	-
Total remuneration	1,791 ⁽¹⁾	141 ⁽²⁾

(1) including 218 through equity-accounted companies; executive Directors also receive minor benefits in kind, the value of which is estimated to some thousands EUR.

(2) including 52 for special duties (Chairman or Members of specific Committees).

Committees set up by the Board of Directors

APPOINTMENTS AND REMUNERATION COMMITTEE

Role:

The Appointments and Remuneration Committee has the task of proposing candidates for Director's positions and giving its opinion on candidates presented to it. The Committee selects candidates in the Company's interests. It ensures that the Board is made up in accordance with the following rules:

- a majority of non-executive Directors,
- a sufficient number of independent Directors,
- a majority of Directors representing the dominant shareholders.

The Board of Directors also calls upon the Committee to provide it with information about the remuneration of the management team of the Company.

Operation:

The Committee meets prior to each meeting of the Board of Directors at which one of these subjects will be discussed. As part of its mission, it periodically uses external consultants in order to set out all of the salaries and bring them in line with the market and other financial companies in particular.

During 2002, the Committee met one single time to analyse and make proposals on the composition of the Board of Directors and review the remuneration of the Company's management.

Composition:

Gérald FRÈRE, Chairman
 Pierre-Alain DE SMEDT
 Philippe WILMES.

AUDIT COMMITTEE

Role:

The Audit Committee assists the Board of Directors in matters of internal controls, periodical financial information and legally required accounts, the appointment of the Auditors and relationships with them, and, if necessary, with regard to operations involving NPM/CNP Group companies (restricted consolidation) and the Group's shareholders.

Operation:

The Committee meets prior to each meeting of the Board of Directors at which one of these subjects will be discussed. As part of its mission, it periodically meets with the Auditors.

The Committee met 5 times in 2002.

Composition:

Philippe HUSTACHE, Chairman (until 27.03.2003)
 Thierry DORMEUIL (from 27.03.2003)
 Henry MESTDAGH
 Jacques FOREST.

Day-to-day management and General Management

Day-to-day management and General Management are provided by Gilles SAMYN, supported by small, tightly knit group of qualified, motivated professionals.

The Managing Director is given a great deal of independence by the Board of Directors, and has been given specific powers to this end, particularly with regard to the purchase and sale of securities.

Furthermore, the Managing Director analyses, prepares and submits to the Board of Directors the strategic decisions, investments, disinvestments, and long-term financing of the Company and Group that fall within the sole authority of the Board of Directors.

Auditors

The Company Auditors have a renewable 3-year term of office.

The following Company Auditors have been appointed:

KLYNVELD PEAT MARWICK GOERDELER

Revisers d'Entreprises S.C.C.,
Represented by Karel M. Van Oostveldt
(term ends in 2005)

DELOITTE & TOUCHE

Revisers d'Entreprises S.C.C.,
Represented by Michel Denayer
(term ends in 2004)

For many years NPM/CNP has chosen to have its accounts audited by a Board made up of two Company Auditors.

One, KPMG, is the historical Auditor of NPM/CNP; the other, DELOITTE & TOUCHE, is the Auditor for the entire set of holding companies, from FRÈRE-BOURGEOIS down to GBL, as well as of most of the industrial and commercial subsidiaries. Within NPM/CNP, the two Company Auditors share out the auditing tasks; KPMG focuses on the corporate financial statements and DELOITTE & TOUCHE, with its overview of the Group, handles the consolidated accounts.

This situation also has the benefit that, if necessary, NPM/CNP can call on two highly professional organisations, each with specific skills and sensitivities. This is now essential, particularly in the context of the introduction of a new regulatory accounting framework in Europe. The complexity of the new rules means that our Auditors will have to be more involved, making a greater contribution to establishing the format of the accounts that will be presented to you and to the prior analysis of a number of alternatives. The Auditors are also at the disposal of the Audit Committee to carry out any additional work that it feels necessary.

Payment of the Auditors is based on fixed fees, the amount of which is approved by the General Meeting, for the work required for them to comply with the standards of their profession.

With regard to any services outside the scope of their mission of certification, additional payments are made as applicable; you are informed of the amount of these each year under the "Legal notices" section (see page 35).

Profit appropriation policy

NPM/CNP's dividend policy consists of reasonable growth of the dividend per share, supported by recurring restricted consolidated operating profit.

Relations with the dominant shareholders

The Board of Directors of NPM/CNP has not been made aware of any shareholders' agreement relating to NPM/CNP shares. The Board has however been informed that agreements exist between the shareholders of ERBE and FINGEN, thus establishing sole control of NPM/CNP by the FRÈRE-BOURGEOIS Group.

All transactions between the companies in the NPM/CNP Group and the dominant shareholders that come within the authority of the Board of Directors are audited by the Company Auditors and the Audit Committee. In the event of a conflict of interests, transactions or decisions are subject to the rules set out by articles 523 and 524 of the Belgian Companies Code.

STAFF AND ORGANISATION



From left to right:

*Back: Roland BORRES, Maximilien de LIMBURG STIRUM,
Pascal CLAUSE, Frédéric POUCHAIN, Gilles SAMYN,
Jean-Charles d'ASPREMONT LYNDEN, Victor DELLOYE,
Jean-Pierre IACOPETTA, Michel LOIR.*

*Front: Mathieu DEMARÉ, Jacques LAMBEAUX,
Jean-Marie LABRASSINE, Etienne COUGNON*

MANAGING DIRECTOR

Gilles SAMYN

GENERAL COUNSEL

Victor DELLOYE

SHAREHOLDINGS AND FINANCIAL INFORMATION

Roland BORRES

Mathieu DEMARÉ

Jean-Pierre IACOPETTA

Maximilien de LIMBURG STIRUM

Frédéric POUCHAIN

MARKETS

Michel LOIR

Étienne COUGNON

Jean-Pierre IACOPETTA

GENERAL SERVICES

Jean-Charles d'ASPREMONT LYNDEN

Pascal CLAUSE

Mathieu DEMARÉ

Jean-Marie LABRASSINE

Jacques LAMBEAUX

LUXEMBOURG

Geneviève PISCAGLIA

Valérie BARTHOL

THE NETHERLANDS

Ernst COOIMAN

Pieter SCHWENCKE

SWITZERLAND

Georges BETTERMANN

Cyril DUMITRU

Fabienne RUDAZ

Gaël BALLERY

Policy on Remuneration

The Appointments and Remuneration Committee (see page 30) handles and sets the remuneration of the Directors and decides on the pay policy for the Company as a whole. The policy implemented consists of paying the Executive Directors, the managers and employees in accordance with the prevailing market conditions for equivalent offices and positions.

To this end, periodic benchmarking of the level of pay is carried out by an independent expert; the last benchmarking took place in autumn 2002. The aim is to retain quality employees and to motivate them on criteria that are fully in line with the shareholders' aims based on long-term value creation.

The small size of the operational management structure of NPM/CNP does not justify the existence of an Executive Committee or a specific management body in charge of day-to-day management; this task is the responsibility of the Managing Director, who carries it out with the entire "Charleroi team". In 2002, the remuneration of the Executive Directors is made up of a fixed part determined on the basis of market criteria, plus a variable part, left to the discretion of the Appointments and Remuneration Committee, in light of the consolidated performance of NPM/CNP. For 2002, the Executive Directors' pay was broken down as follows (EUR ,000):

Fixed remuneration:	1,156
Variable remuneration:	635
Total remuneration:	1,791

The amounts given above are gross amounts paid by the consolidated companies; they do not include a number of minor, normal benefits in kind (in the order of a few thousand euros); they include the salaries paid to the two executive directors by equity-accounted companies, which came to 218 (EUR ,000) in 2002.

The payment of other members of staff is based solely on fixed remuneration.

From 2003, the payment of Executive Directors will be based solely on fixed remuneration (see Message to Shareholders, p. 12)

The two Executive Directors and some members of management are also part of a pension scheme that will guarantee them, at age 62 and after a 28-year career, a capital providing an annuity equal to 75% of the highest fixed annual remuneration paid before the age of 57. For the other members of staff, the capital is based on a graded percentage (from 75% to 50%) in brackets and is formed on a 35-year career.

The long-term motivation of the Executive Directors and the staff as a whole is provided by their owning an indirect holding in NPM/CNP through Loverfin (see below); the Company does not currently operate a stock option scheme.

Staff shareholding plan

NPM/CNP wished to motivate its staff members by aligning their interests on the Company's value creation aims. The staff demonstrated their long-term commitment by forming a Company (LOVERFIN), which purchased, with the help of bank financing, 700,000 NPM/CNP shares (3.5% of the cap-

ital). LOVERFIN undertook to hold these shares for a period of at least 5 years from October 1998. LOVERFIN has granted a right of pre-emption on these NPM/CNP shares to a subsidiary of NPM/CNP.

LEGAL NOTICES

1. In application of article 134 of the Companies Code relating to special Auditors' fees.

The Board of Directors informs you that in 2002 DELOITTE & TOUCHE, Company Auditor, received fees in the amount of EUR 48,780 for specific tasks performed mainly in relation to the auditing of the adjusted net assets and the planned transition to IFRS accounting standards, and for a variety of special tasks and consultations.

2. In Application of article 624 of the Companies Code relating to the Company's own shares purchased by the Company and by its direct and indirect subsidiaries

At 31 December 2001 the NPM/CNP Group held 275,592 own shares; during the 2002 financial year it purchased 95,233 own shares for an average price of EUR 103.4 per share through its indirect subsidiary SLP, and at 31 December 2002 held 370,825 own shares (representing 1.85% of the company's share capital) worth EUR 39 million.

At the end of 2002, NPM/CNP itself held 15,852 own shares, with the remainder being held by SLP.

It is intended that these shares be cancelled in the future.