



**INFRABEL**

# **Annual report** to shareholders **2019**

**infrabel.be**



Free translation – The original versions of this report are in Dutch and in French

**ANNUAL REPORT BY THE BOARD OF DIRECTORS TO THE  
GENERAL SHAREHOLDERS' MEETING ON 20 MAY 2020**

This annual report was drawn up pursuant to Articles 3:5, 3:6, 3:65, 7:96, 7:203 and 7:220 of the of the Companies and Associations Code and Article 27 of the Act of 21 March 1991 on the reform of certain economic public companies. The report also contains the remuneration report drawn up pursuant to Article 17 §4 of the aforementioned Act. Pursuant to the provisions of the law and the Articles of Association, the Board of Directors has the honour of reporting to you on the company's situation and results for the 2019 financial year.







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# EDITORIAL

As we finalise this annual report, the entire world is in the midst of a major health crisis that is counting a heavy human cost. The COVID-19 pandemic is hitting the global economy hard and, at the time of writing, nobody can yet predict how long it will last or how far-reaching the ensuing recession will be.

To contain the spread of the virus, the Federal Government quickly took the decision to restrict citizens' movements. A range of measures were put in place, such as encouraging teleworking and shutting down the majority of businesses. These decisions, which were necessary to limit the contagion and preserve public health, had an immediate impact on our activities. We were forced to rethink the organisation of our activities and, working closely with the SNCB, adapted the train service in order to offer a service in the national interest. Thanks to this adapted service, medical staff in particular remained able to travel by train to their workplaces to carry out their essential duties in the fight against the epidemic. In addition, in order to maintain supplies to the country, we ensured that freight train traffic could continue right across Belgium, as called for by the government.

As an employer, it was just as much our mission and our duty to look after the health of our employees. We therefore took significant measures to protect staff whose presence is essential on the ground, while guaranteeing the safety and smooth running of rail traffic.

As soon as these measures were taken, we looked ahead by preparing a strategy that will fully support the relaunch of economic activity in our country when it exits the lockdown. In doing so, we took into account government decisions as well as constraints resulting from social distancing rules for staff and the timing for reopening work sites and the resumption of rail traffic.

Given the current uncertainty, it is difficult to predict what impact this crisis will have on the rest of this year and the years to come. The repercussions will be felt both on the economy and society as a whole, as well as on our activities. Nevertheless, there is one certainty of which we are firmly convinced: we will always be able to count on the dedication of our motivated employees, who are proud to serve their fellow citizens and their country, come what may. We would like to take this opportunity to express our gratitude once again to all our employees for the extraordinary dedication and professionalism they have shown during this unprecedented crisis.

On the pages that follow, we present the highlights of 2019, the most significant being the announcement of our new strategic plan GO!, which should enable our company to continue its modernisation and technological revolution.

Naturally, we cannot end this editorial without thanking Luc Lallemand for the 15 years he has dedicated to Infrabel in the role of CEO. His desire to take up a new professional challenge has put him at the helm of the French railway infrastructure manager. We wish him all the very best for this new endeavour.

**Ann Billiau**  
Chief Executive Officer a.i. & Chief Client Officer

**Christine Vanderveeren**  
Chief Financial Officer

**Jochen Bultinck**  
Chief Operations Officer

**Benoit Gilson**  
Chief Strategy, Innovation, Comm & Public Affairs Officer

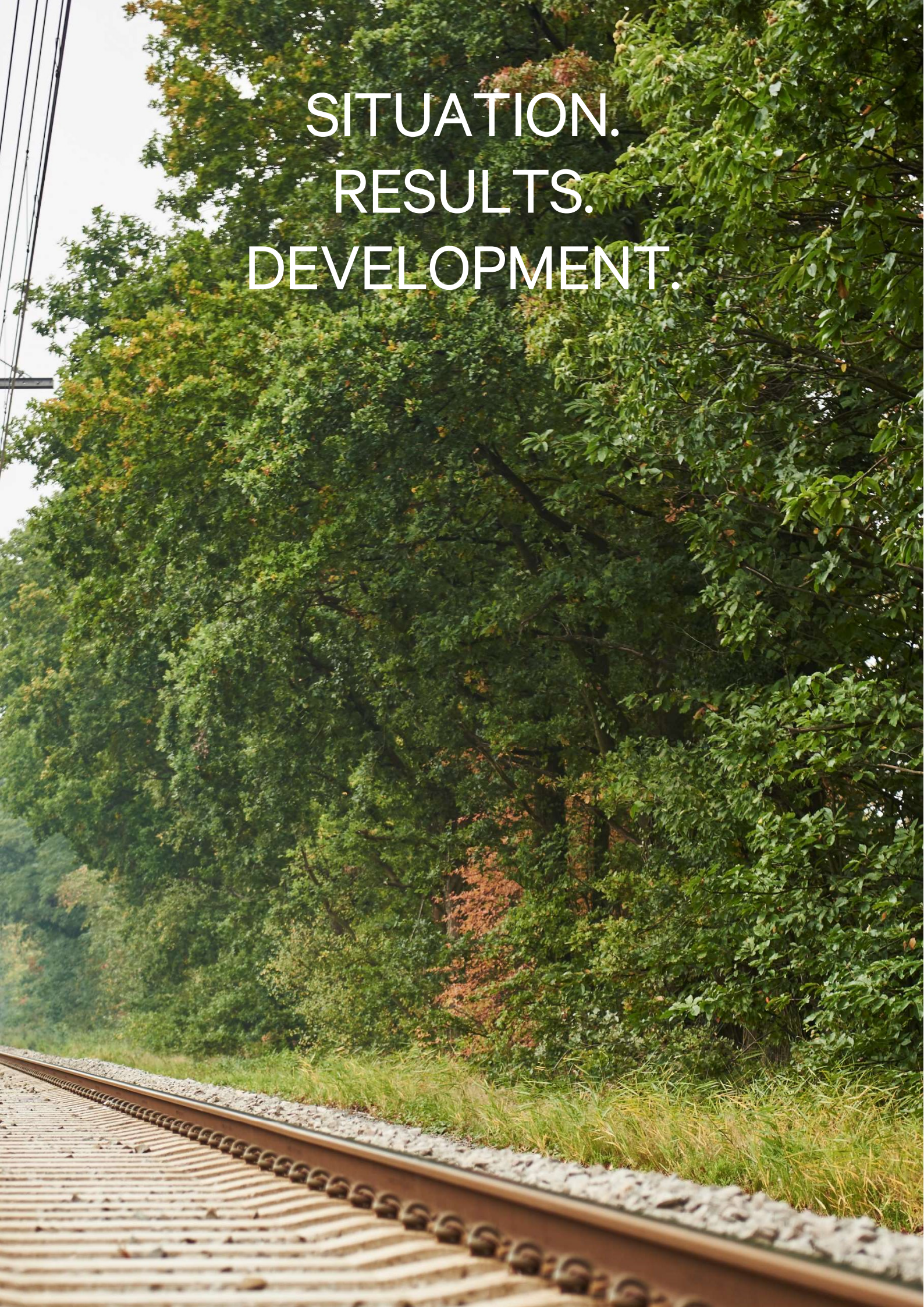
**Eric Mercier**  
Chief Digital Officer

**Nicolas Van Wijk**  
Chief Talent Officer





SITUATION.  
RESULTS.  
DEVELOPMENT.





# 1. OUR PRIORITIES, AT THE HEART OF ALL MAJOR EVENTS

This section of the annual report gives a chronological account of the major events of 2019, and sets them in the context of Infrabel's strategic priorities in the Business Plan 2017-2020.



Safety first



Trains on time



A network for all  
of tomorrow's  
trains



A financially sound  
company



In tune  
with society





January // February



## TWO INAUGURATIONS TO CELEBRATE THE NEW YEAR

### A NEW OUTPOST IN NAMUR... “MADE BY INFRABEL”

In January, the heart of the capital of Wallonia welcomed a new Infrabel outpost. With capacity for 70 I-TMS signalling box staff members and 100 I-AM outpost employees from the Infrastructure Logistics Center, it promotes the creation of synergies to the benefit of all staff. This is also the first time a building has been designed entirely by internal staff members, which is a source of great pride for the teams that worked on the project! This construction demonstrates that the term “civil engineering structure” does not only refer to the design of bridges, tunnels or under-track passageways. It proves the extent to which our engineers are capable of meeting major challenges head on.

Located in an urban setting, this outpost enables the teams to work on rail installations starting from Namur, an essential link in the rail network. Inaugurated by Luc Lallemand (CEO), Federal Minister of Mobility François Bellot and Mayor of Namur Maxime Prévot, the new facilities also stand out thanks to their sustain-

ability. From the first stages of the project, the design accommodated the desire to include an environmental dimension, with the aim of seeing this new building exceed current energy constraints. In order to respond to ecological requirements, the project was fitted with high performance insulation, heat pumps and solar panels in order to reduce its carbon footprint.







### ... AND A BRAND NEW LOGISTICS CENTRE IN CHARLEROI

Once spread over five sites throughout the region, the staff in Charleroi now benefit from a new comfortable and ergonomic workplace. Inaugurated in the wake of the outpost in Namur, in the presence of Paul Magette, Mayor of the city, and LucALLEmand (CEO), it offers a great deal of space, comprising 3000 m<sup>2</sup> of social and office areas in addition to the 7000 m<sup>2</sup> of workshops and warehouses intended for the rail network.

The fundamental restructuring of the logistics chain was the central focus of the reflection process about how the available space should be organised. This strategy aims to improve reactivity in the event of incidents on the network. The 250 km of main tracks going from Couvin to Céroux-Mousty – through Auvélais and Erquelines – now benefit from faster interventions: very good for passengers, rail traffic and, of course, punctuality.

As we look at these two inaugurations, it is worth remembering that in 2005 the infrastructure maintenance personnel were still spread over 250 work units. By the end of 2022, the company will have no more than 22 “CLIs” and 46 local outposts. This means: 68 sites instead of what once were 250.



### CLIENTS AT THE HEART OF OUR STRATEGY

To meet the demands of our clients in a general context of heightened competition in the transport sector, the Management Board has approved a change within the organisation of the I-TMS department. A new unit called “Customer & Product Management” was created to become the primary point of contact between railway companies and industrial operators.

This decision is an integral part of Infrabel’s desire to improve the company’s overall performance. It aims to build up a strategic relationship with its key partners. This approach allows us to assess our progress, and



evaluate any potential shortcomings, in order to continue our efforts to support our clients in a constantly changing and increasingly competitive world.



### AXIS 3: MODERNISATION CONTINUES

For several years, Axis 3 has been the subject of ambitious modernisation. Comprising lines 161 (Brussels-Namur) and 162 (Namur-Luxembourg border), it connects the capital to the Grand Duchy, and is a part of Corridor C, connecting Antwerp, Basel and Lyon. With a length of 226 km, its remarkable curves impose a relatively low reference speed of 130 km/h. A massive programme to modernise the infrastructure was launched in 2007 with a view to increasing the reference speed to 160 km/h on the sections that are long enough to do so. Ultimately, estimated time savings of 11 to 20 minutes are anticipated, depending on the type of train used, making the rail service even more competitive.

During his visit to Arlon railway station, soon to be equipped with platforms able to accommodate trains of up to 350 m in length compared to 250 m today, the Federal Minister of Mobility François Bellot welcomed the opportunity to review all of the activities that were already under way:

- signalling and track renewal works;
- adaptation or renovation of 65 *civil engineering structures* (bridges, rock faces, etc.);
- rectification of railway curves that are too severe;
- complete reconfiguration of four stations (Gembloux, Ciney, Rochefort-Jemelle and Arlon).

Another significant modification is the re-electrification of the line from 3,000 volts to 25,000 volts in 2020, a similar voltage to that now used on the Luxembourg rail network. This evolution will enable the trains to transition more smoothly from one side of the border to the other.



#### 160 KM/H BETWEEN CINEY AND NAMUR

In June, an important phase of the project was finished with the completion of the section between Ciney and the Walloon capital, Namur. Thanks to the work carried out in collaboration with TUC RAIL, trains can now run at 160 km/h. This means a timesaving of two minutes between the two cities.



Co-financed by the European Union  
Trans-European Transport Network (TEN-T)



Co-financed by the Connecting Europe  
Facility of the European Union







## **REJECTION OF THE MERGER BETWEEN SIEMENS AND ALSTOM**

At the start of February, the European Commission opposed the merger between two rail operators, Siemens (Germany) and Alstom (France). Infrabel considered this to be a wise decision, because the alternative would have favoured the creation of a monopoly of which the company, its customers and the entire economy would inevitably have been the collateral victims.

As a reminder, in 2017, the two European champions of railway signalling and rolling stock announced their desire to combine their forces through an alliance. In their eyes, this strategy would have better enabled them to compete with the Chinese giant CRRC. When the merger was announced, Infrabel took part in the consultations organised by the European Commission to analyse the effects of the announced merger. For Infrabel, this option could have created a monopolistic situation associated with a risk of price increases or a lack of innovation to which the company would have fallen victim.

### **A BENEFICIAL DECISION FOR OUR CLIENTS**

For Infrabel, and for the Belgian, British, Spanish and Dutch competition authorities, as well as the European Association of Rail Infrastructure Managers, the Commission took the only decision that would protect the interests of the European rail operators, infrastructure managers, states, shareholders and clients. This page having been turned, Infrabel invited the various stakeholders to reflect on the significant challenges facing the European rail industry. The resolution of this affair is indeed an excellent opportunity to envisage the future in order to propose innovative solutions for the coming decades. From this perspective, the Belgian rail infrastructure manager reiterated its desire to play a leading role in contributing to a new industrial policy on both the EU and national levels.







THANKS TO



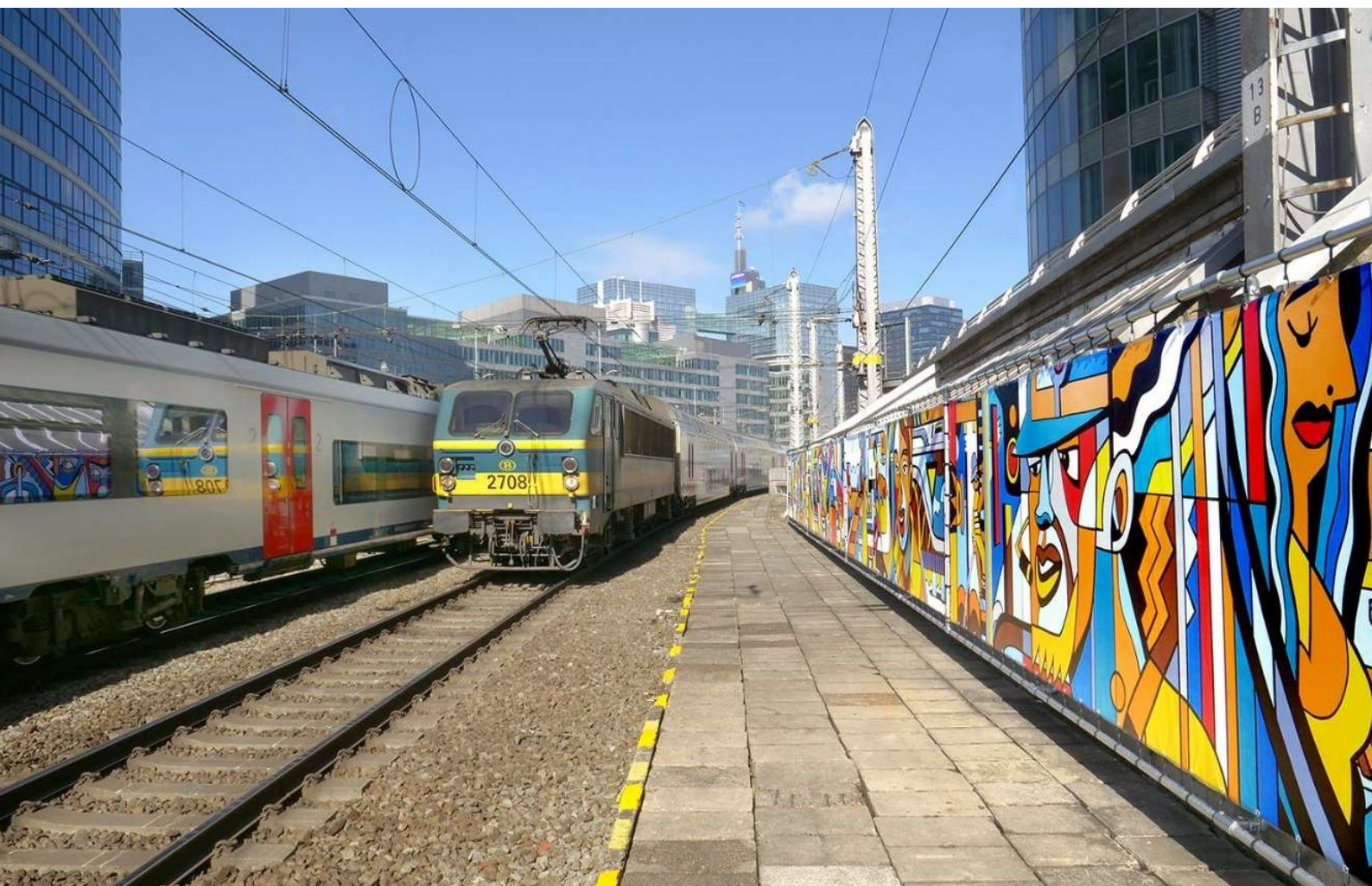
## ART ON TRACKS: AN ORIGINAL HOMAGE TO THE WOMEN AND MEN THAT WORK ON THE NETWORK

With support from the International Railways Union (UIC), which seeks to promote art on the rail network, Infrabel decided to pay tribute to the men and women who work on the network: people passionately committed to their jobs. With a length of thirty metres and a height of two metres, it is an impressive workpiece. Located in Brussels North, at the exit/entrance to the North-South junction, it catches the eye of passengers aboard any one of the 1,200 trains that run along this strategic axis every day. It was created by the artists Guillaume Desmaretz and Frédéric Lebbe from the Brussels collective Farm Prod.

### PUTTING THE SPOTLIGHT ON THOSE WORKING BEHIND THE SCENES

The performance of our network and its modernisation require the daily intervention of our staff. Available at all hours, in both summer and winter, women and men with various profiles work to ensure the running of train traffic. However, all too often the passengers using our lines fail to notice their presence or their efforts and do not realise how crucial their role is in guaranteeing safety. Neither do they realise how technical their roles can be. This is especially true given that the company never stops modernising through the introduction of new tools and technologies. However, this requires every individual to develop new skills and to continue their training throughout their career.

The purpose of the installation is therefore to remind people of this reality: travelling by train on a safe and secure network requires daily intervention by our staff. Women and men that are often faced with increasingly complex problems!



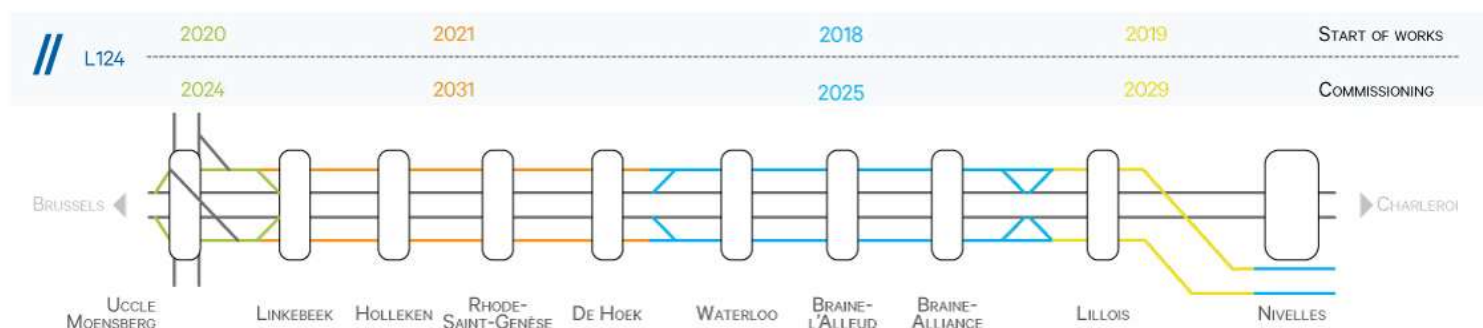


## RESUMPTION OF THE RER BETWEEN WATERLOO AND BRAINE-ALLIANCE

The additional funding granted by the Federal Government has allowed us to resume the RER works on line 124. As a reminder, this “virtuous” billion, allocated to carrying out a set of projects of major strategic importance for rail transport, has already enabled certain works connected with the RER to be resumed, such as those on line 161 and line 124.

### TWO ADDITIONAL TRACKS FOR LINE 124

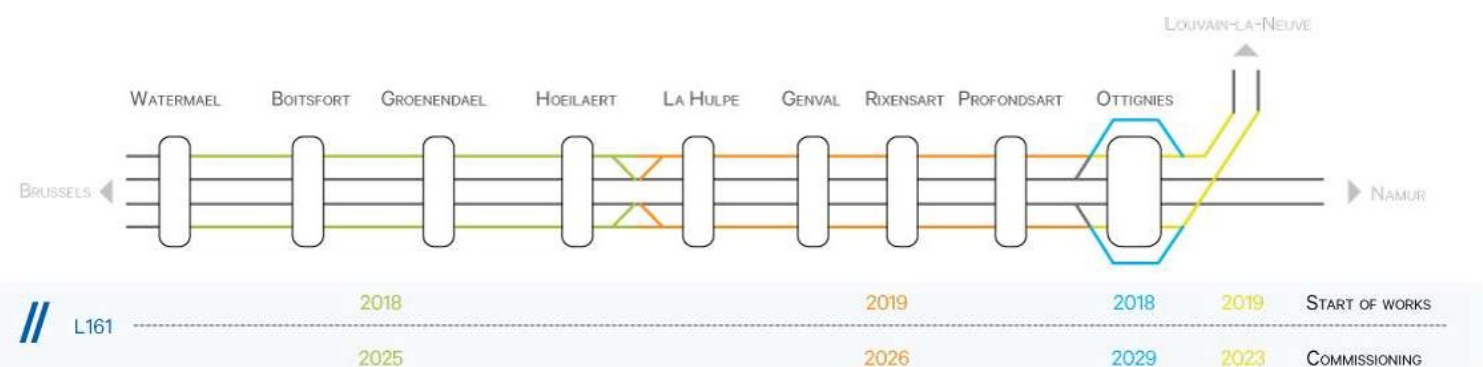
Eventually, the extension to four tracks will improve the fluidity of traffic between Nivelles and the capital, allowing for the passage of fast trains. At the end of the first phase of works in 2025, the SNCB will be able to develop its S offer by increasing its frequency to and from Brussels during rush hour at the stations on line 124. Between Nivelles and Brussels (and at Holleken and De Hoek when the works are finished by 2031), passengers will benefit from a more attractive offer. This will also encourage other commuters to choose rail travel over road transport.



### LINE 161: PRIORITY TO THE SECTION BETWEEN WATERMAEL AND LA HULPE

As decided jointly by the SNCB and Infrabel, the relaunch of the RER works will progress “section by section”. Therefore, in Wallonia, line 161 has been deemed a priority with the section located between Watermael station and the entrance to La Hulpe (site known as “Bakenbos”). As a reminder, over a distance of 23 km, civil engineering – i.e. the expansion of the rail platform to accommodate the additional tracks – has already been completed, with the exception of Boitsfort station.

The second, shorter section (2 km), between Ottignies and the junction towards Louvain-la-Neuve, does not require any existing tracks to be moved and will be completed in December 2023. Finally, the works are scheduled to start on the final section between “Bakenbos” and “Ottignies” on line 161, in 2021. The objective is to complete the extension to four tracks by the end of 2026.







March // April

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### A STORM THAT LEFT ITS MARK

At the start of March, a storm backed by a powerful jet stream passed from the British Isles through Belgium, causing significant damage throughout the country, including to the rail network. Accompanied by gale-force winds of up to 120 km/h in places, the depression seriously damaged the infrastructure of some of our lines. Our infrastructure, and more specifically the catenaries, were damaged by numerous fallen trees.

As soon as the first instances of damage were reported, our teams were mobilised, in close collaboration with the emergency services and the SNCB. The objective was to restore the flow of rail traffic as quickly as possible, while taking into account the safety of all.





### **OTTIGNIES: A NEW FOOTBRIDGE FOR GREATER ACCESSIBILITY**

Designed to improve accessibility to the platforms and to the “des Villas” car park, the new civil engineering structure creates a connection between the station forecourt and the neighbourhoods that overlook it. Made of steel and concrete, the footbridge is designed with sustainable investment in mind. It was designed taking into account both the current layout of the location and the future installation of tracks and platforms planned as part of the “RER” works. Fitted with staircases directed to ease the flow of passengers between the forecourt and the platform, it also features three lifts for persons of reduced mobility.

However, the adventure is not yet complete, because from mid 2022, two new staircases and an additional lift will be added to the existing facilities. The total investment stands at 2.8 million euros, split between Infrabel and the SNCB.





## MOL-HASSELT: SOON TO BE 100% ELECTRIC

After the section between Herentals and Mol (2015) and the launch of the works between Hamont and Mol (2018), the final stage of the electrification of the Limburgish network has started with the passenger lines. The electrification of the line will allow us to offer our client – the NMBS/SNCB – more possibilities in terms of trains. This solution will help improve punctuality, as well as being more environmentally friendly.

For this last phase, the plan is to install no fewer than 1,250 new catenary poles. This equates to the installation of 58 km of catenaries, including 38 km between Mol and the Zonhoven railway node. Another 10 km of double tracks will also be added to this between Beverlo and Zolder. The next step will be to install the catenaries required for the bypass track at Leopoldsburg and finally, the equipment essential to the electrification of the yard at Mol. To reach this result, more than 300 km of cables and wires will be required, the equivalent of the distance separating Brussels and Paris!

At the same time, and in order to be able to house the infrastructure related to the electrification, other works must be undertaken, such as the erection of four bridges and some modifications to the railings on five others. Infrabel will also take the opportunity to renovate the civil engineering structure spanning the Dessel-Kwaadmechelen canal. Various points at Mol station will also have to be fully renewed. In Kuringern, the bridge spanning the Albert canal will be raised. Finally, in Leopoldsburg and at the border between Houthalen and Zolder, two new traction substations will be installed. They will transform the high voltage into a voltage that can be used by the rail traffic.

These works represent a notable new investment for mobility in Limburg. Over time, it will be possible to undertake the journey between Antwerp and Hasselt using electric trains that are more modern and comfortable for passengers.

## RENEWAL OF THE HASSELT-TONGRES SECTION

Still in Limburg, but at the end of the summer, a second project was also launched to modernise line 34, this time between Hasselt and Tongeren. Spread over 11 weekends, the refurbishment of this 25 km section is intended to modernise a large part of the infrastructure (tracks, sleepers, ballast, catenaries, level crossings, etc.). Once again: all good for the mobility of the Flemish province.



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## LIÈGE: €5.3 MILLION FOR INFRASTRUCTURE

In the spring, a massive rail infrastructure modernisation programme was launched in Liège, the “Cité ardente” or “Fervent City”. This investment is to be implemented in parallel with important steps forward witnessed in 2018, such as the opening of new stops at Seraing and Ougrée, as part of the Réseau Express Liégeois [Liège Express Network]. Between the stops *Liège-Carré* and *Liège-Saint-Lambert*, 2 km of tracks will be completely renewed between 2019 and 2020.

In order to minimise the impact of the works on the running of the trains, part of the activities has been scheduled during the Easter holidays (2019 and 2020), two weeks during which there are fewer trains running. In view of the scope of the works and in agreement with the SNCB, it has been decided to completely interrupt the traffic between Liège-Guillemins and Herstal.

### “PHASED” WORKS



The track specialists therefore made the most of the spring holidays 2019 to replace numerous components at *Liège-Carré*, such as rails, sleepers and ballast. In the tunnels on this section of the L34 *Liège-Liers*, the catenary technicians have also started the preparatory works for the renewal of the power supply device.

Making the most of the total stoppage of traffic, works were also undertaken on the *Liège-Carré* platforms. Over the summer, they were then renovated and raised to a height of 75 cm to improve the accessibility of the trains. This operation also aims to dissuade users from crossing the tracks to reach the platforms; an activity which is not only dangerous but strictly forbidden.

### TECHNICAL WORKS

All worksites have their own specific challenges, and the Liège site has a sizeable one: an issue with the height available in the *Saint-Martin* and *Sous Pierreuse* tunnels. In the 1980s, in order to electrify the line, the engineers had to remove the ballast to lower the tracks. This operation was essential at the time to provide enough space to attach the overhead wires to the tunnel vaults. To do so, the rails were screwed directly onto the concrete bed, which was a rare technique at that time in Belgium. However, the screws have worn out over time. Due to the phenomenon of electric currents known as stray currents running through the metal elements, and the presence of water, they have fallen victim to corrosion. A complete renewal of the tracks, laying bases and anchors in the railway bed therefore had to be scheduled.





## PROMOTING MULTIMODAL TRANSPORT

Even though we now know that road transport emits on average nine times more CO<sub>2</sub> than rail transport, 75 % of goods still travel by road. To reduce polluting emissions and to limit road congestion, it is essential to make our network as attractive as possible. It is with this in mind that Infrabel has launched new works between the Athus dry port (Belgium) and France.

### ATHUS CONTAINER TERMINAL

In 2018, thanks to a multimodal rail-road set-up, 46,500 shipping containers crossed through the Athus Container Terminal (“ACT”), towards ports in the North Sea or the region of Sarre/Lorraine/Luxembourg. However, the ACT suffers from a major disadvantage: it does not have direct rail access to France. This is a real constraint on its appeal as a multimodal station.

Thanks to financial and operational contributions from several partners, the European Union, the Federal State, Wallonia, Infrabel, IDELUX and the SNCF network, works have been launched to allow the Athus Container Terminal to be converted from a terminal to an international hub. The total budget is €20.2 million.

### “ATHUS-MEUSE” AXIS

This operation aims to promote *modal shift*. It enables in passing to increase the capacity of the international freight corridor to which the ACT is connected, which is the North Sea-Mediterranean Rail Freight Corridor. This axis is commonly referred to as the “Athus-Meuse” axis, and it connects the Port of Antwerp to the Mediterranean. It is a crucial axis, because in 2018 it was used by more than 11,500 goods trains! Thanks to the conversion to double track of this access towards France, the transport capacities of the Corridor will now be greatly increased. Moreover, the operation will make it possible to create an access to France from the “Brussels-Namur-Arlon” line, which constitutes the Corridor’s second itinerary. The first trains are expected to use this new connection in August 2020.



Co-financed by the Connecting Europe  
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## TECHNICAL CAMERAS TO PROMOTE PUNCTUALITY

Technical cameras have been placed near around fifty level crossings located throughout the Belgian network. The objective is to immediately identify a disruption (broken barrier, intrusion onto the level crossing, blockage) so as to be able to respond with full awareness of the cause.

In the event of disruption at a level crossing, an alarm will be triggered and, at the same time, the signalling box will be informed. Traffic Control, which is responsible for coordinating national rail traffic, will identify the alarm and the location of the level crossing. This information will then be transferred to the “RIOC” (Rail Infrastructure Operations Center). The images obtained using the new cameras will then be viewed by its members, who are the only team trained to perform this exercise. This new working method offers additional information in the event of a disruption. Local maintenance technicians having to travel to resolve the problem will thus save precious time. Thanks to the images obtained, they will be able to obtain additional details about the cause of a disruption. This new tool therefore offers an opportunity to better prepare the interventions with a view to resolving the problems. Prior to travelling to an incident location, each stakeholder will thus be able to have an idea of the equipment they will need to resolve the situation, ultimately benefiting the punctuality of the trains.







## OPEN DATA: INFRABEL LIFTS A CORNER OF THE VEIL

Infrabel manages a great deal of data concerning the activities of the company and the rail network. Examples of this include the geographical position of the level crossings or track segments, the national punctuality and monthly consumption of traction energy, the evolution in the number of paths, etc.

### INCREASED TRANSPARENCY

Until now, some of this information has found itself in the public domain, without automatically being published in a structured manner, rather it has been released in its entirety. As such, the punctuality figures that have long been available in some form on the website, were difficult to reuse. Infrabel therefore decided to adopt a more open approach and to provide more precise data that will be of interest to both individuals and public authorities or companies, with a view to developing new services with a particular focus on mobility.

### A NEW PORTAL

To facilitate ease of access, all data sets have been added to a unique portal specially dedicated to Open Data. In total, around sixty sets have already been released to the public, and this number will continue to grow over the coming months.





Thanks to this new platform, which can be accessed via our website, Infrabel's data can be consulted and used with ease. It can also be viewed in different forms so as to facilitate understanding (graphs, charts, etc.).

The punctuality data have been published on a dashboard on the new portal since June. This replaces the reports that were once available on our website. This coherent approach thus allows Infrabel to group together all relevant information in a single location.

### **#TRACKATHON**

A hackathon was organised to celebrate the launch of the portal, called the TRACKathon. Enthusiasts explored and used our data. The event brought together both internal colleagues and external individuals.

Meeting in Infrabel's offices in Brussels, tens of individuals passionate about Open Data and rail transport explored all of the data supplied by Infrabel. Grouped into small teams through workshops, they looked at the possible ways in which freshly disclosed data could be reused. During the event, they particularly analysed the "datasets" linked to punctuality, in order to envisage different visual representations. Another of their missions was to discover original and specific uses of the information revealed, to ensure its usefulness to as many people as possible.







## BRUSSELS: DISRUPTIONS AT THE NORTH-SOUTH JUNCTION

On Tuesday 14 May during the morning rush hour, a fire broke out on the tracks at the entrance to Brussels-North Station (on the Schaerbeek side). Eroded by the flames, numerous catenary power supply cables were damaged and rendered unusable. The first repercussion was the complete stoppage of traffic between Brussels-North and Brussels-South. Given the situation, a decision was made to stop a significant number of trains upstream from the capital. After an hour and a half of total paralysis, traffic was gradually restarted on four of the six tracks in the junction. Consequently, Infrabel and the SNCB were forced to adapt the schedules and to cancel numerous trains. The repercussions of the incident were felt right through to the following day.

Infrabel was able to count on the dedication and professionalism of its technicians to restore the situation and repair the damage. Thanks to their actions, and despite the constricted size of the location in which the fire broke out, preventing multiple technicians from working at once, they were able to restore the situation in record time. Their dedication made it possible to limit the consequences of what is thankfully an extremely rare event.



## UPDATING THE ETCS MASTER PLAN FOR EVEN GREATER SAFETY

At the end of May, the Board of Directors approved an update of the ETCS Master Plan. As a reminder, since 2011, Infrabel has already equipped more than 1,000 kilometres of the rail network with this technology, a signalling system associated with train speed control. Over time, it has already been possible to learn many lessons from this experience. Thanks to this, we were able to adjust the schedule and update the Master Plan. Nevertheless, the initial objective remains: to have a rail network equipped with ETCS by the end of 2025.

ETCS stands for “European Train Control System”. This is an automatic safety system that constantly monitors a train's speed. If a train exceeds the permitted speed, the ETCS triggers emergency braking.

We are installing a combination of three variants of ETCS on our network: ETCS Level 1 Full Supervision, ETCS Level 1 Limited Supervision and ETCS Level 2 Full Supervision.



## END OF MECHANICAL SIGNALLING IN BELGIUM

On the eve of summer, a page in Belgian railway history was turned with the removal of the country's last two mechanical signals. Located on line 100 at Tertre, not far from Mons, they were the last witnesses of a bygone era.

After their removal, the signals will be given a new beginning on the tourist line of the Bocq Railway, where they will delight railway equipment enthusiasts.

### CONCENTRATION OF BOXES: OBJECTIVE ACHIEVED IN WALLONIA

Operated from a signal box, they have given way to a computerised installation. This latest technology, known as EBP-PLP, no longer requires any manual or mechanical intervention by our staff. In practice, management of the new signals has been taken over by the signal box in Mons. This stage marks the completion of the concentration of signal boxes in Wallonia. Between 2005 and 2019, we went from 158 to just 8 boxes in Wallonia.





## DIGITAL DAYS: A TECHNOLOGICAL SHOWCASE

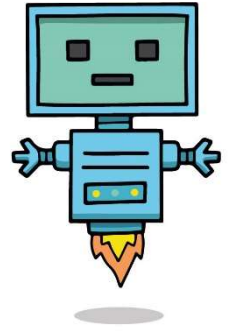
Infrabel resolutely opts for the most modern technologies. Predictive maintenance makes it possible to determine where and when the infrastructure needs to be renewed or maintained. Thanks to this approach, which provides a more detailed and efficient analysis, it is simpler and faster to plan interventions on the network; all of which benefits punctuality and traffic flow.

To convince our employees and the press of the advantages of our solutions, Infrabel organised its first “Digital Days” in its Schaerbeek workshop. At around twenty stands, over two days, each participant was able to discover our innovations and the latest technologies used on a daily basis by those who “bring the railways to life”.

### SMART RAILWAY: OBJECTIVE 2022

Drones, intelligent infrastructure, supercomputer, ... this sums up Smart Railway, our ambitious digitisation project that was at the heart of these Digital Days. Examples include:

- the use of sensors on signals, level crossings and points to transmit data on their operating status;
- the use of an ultra-modern measuring train to collect data on the condition of tracks and catenaries;
- the use of drones to check bridges and telecommunications antennas.
- Infrabel is a pioneer in the field of predictive maintenance, and sets an example in Europe to such an extent that our employees are regularly called upon by foreign infrastructure managers to share their know-how.





## RAIL DAYS: MEETINGS WITH LOCAL AND PROVINCIAL AUTHORITIES

From 11 to 25 June, we organised our first Rail Days to present our activities and projects in each region. Aimed at representatives of the municipalities and provinces through which the railway passes, they were intended to detail our priorities and our major work planned for the coming years. We had the opportunity to exchange ideas and discuss several themes:

- safety: the measures put in place to combat illegal use of level-crossings, awareness-raising measures to reduce trespassing, etc.
- the environment: embankment maintenance, efforts to combat possible construction-related nuisance, protection of biodiversity, etc.;
- emergency planning: our plans in the event of an incident or accident on our network, requiring a coordinated response from the emergency services;
- our projects: our current and future projects in the different regions to improve mobility.



## AN ACCIDENT AT LANGDORP

During the night of 20 June, a young man lost his life while driving his car across the tracks at the Winterstraat level crossing in Langdorp (Aarschot). The vehicle was hit by a freight train. An investigation has been launched to determine the exact circumstances of this incident.







## TRESPASSING ON THE TRACKS: AT THE HEART OF THE FLEMISH TV SERIES “THUIS”

Created in 1995, “Thuis” is a very popular television series in Flanders, followed by more than one million viewers. In the last episode of the season, broadcast on the “Eén” channel in June, one of the main characters puts his life in danger by inappropriate behaviour on our railways.

In this final episode before the summer holidays, three teenagers are playing truant instead of going to school. When they see their parents, they decide to run away to avoid being caught, but when they cross the tracks at a closed level crossing, one of them falls off their bicycle. A train is coming and a collision is inevitable...

### A JOINT PROJECT BETWEEN INFRABEL AND VRT

To raise public awareness, especially among young people, we take every opportunity to repeat our prevention messages. The case of this unique collaboration with the Flemish public channel is a good example. An opportunity like this to reach such a large audience does not come along every day.

# Impact of the “Thuis” episode

(viewers in Flanders)

**53%**

Became aware of the issue of trespassing on the tracks thanks to “Thuis”

**31%**

Would never have become aware of the issue of trespassing on the tracks without “Thuis”

**22%**

Discussed the topic with others or looked for more information thanks to “Thuis”

**8%**

Are more aware of the dangers of trespassing thanks to “Thuis”

**84%**

See the collaboration on the “Thuis” storyline as positive.

**INFRABEL** één

## 1.2 MILLION PEOPLE REACHED IN FLANDERS

Following the broadcast of the final episode of the season, VRT conducted a survey and consulted 1,320 Flemings. Result: Of those questioned, 53% were affected by the topic of carelessness near the tracks, especially women and children. More interestingly: in the absence of any episode, only one in three Flemings would have been touched by this subject! 60% of the individuals surveyed said they now pay more attention to railway hazards and 54% admit that they are now better informed of the risks.

## 360° AWARENESS-RAISING FILM

In early autumn, this episode even had a “sequel”. Members of the public were able to go through an experience quite similar to that of the actors. Equipped with a helmet, they had the opportunity to immerse themselves in a situation where they ignored the red lights at a level crossing. The result: shivers and screams when they discover that they will be hit by a train! This is enough to convince even the most recalcitrant people of the importance of respecting the rules when approaching our railway property.











## JEAN-PIERRE BARRIÈRE & THE KETNET SUMMER TOUR

Every year, Infrabel launches numerous awareness-raising actions, particularly aimed at students and children. This summer, we supported VRT during its Ketnet Summer Tour with a series of free activities and concerts throughout Flanders. This tour was the perfect opportunity to spread our safety messages to our little darlings below the age of 14. Located in the village surrounding the stage of the travelling festival, our stand aimed to repeat a message: “At level crossings, as soon as the red lights come on, you have to stop!”



An action to be put in perspective with our latest major awareness-raising campaign focused on Jean-Pierre Barrière ...

### THE INVISIBLE MAN OF LEVEL CROSSINGS

But who is Jean-Pierre Barrière? He is our latest initiative to raise awareness about dangerous behaviour near railway tracks. This new campaign was launched throughout the country, with a view to reaching as many people as possible, but focusing particularly on children. Jean-Pierre Barrière was at the centre of a series of television ads and social media actions that were a great success.

Through this fictional and friendly character, offering a human face to our railway infrastructure, it becomes easier to tell a story. Using his arm in the colours of a level crossing barrier, he warns everyone when approaching our infrastructure. Observance of the highway code applies to even the youngest among us.

This original campaign, which was picked up by the press, follows the edifying results of a survey that concluded that too many people still engage in dangerous behaviour on or around our railways. Infrabel will never cease to carry out its actions of awareness-raising and prevention but also, if necessary, crackdowns in order to eradicate reckless behaviour along our lines.

Unfortunately, the unthinkable can still happen. In the autumn, in a joint action with Securail and the police to raise public awareness of the need to respect railway-crossing signals, the press invited by us witnessed a surreal scene. A school bus, carrying 18 children, tried to cross the tracks, whilst the lights were red and the bell was ringing to announce the lowering of the barriers!





## HOW FAR WILL SOME PEOPLE'S RECKLESSNESS GO?

Every day, we notice reckless behaviour at our level crossings. But in mid-July, we witnessed the unthinkable: the deliberate covering with sand of one of the crossings on line 100. In Tertre, on a Seveso site, a private contractor deliberately poured sand onto our tracks to make it easier for his trucks to cross. Annoyed at seeing his vehicles forced to slow down at this point, he thought it was a good idea to pour sand onto the tracks to even out the crossing!

Alerted by a train driver forced to brake urgently, we avoided a disaster. As soon as they were alerted, our teams went down to the site, accompanied by the Railway Police. The situation was quickly rectified and rail traffic was able to resume under the best possible conditions. A complaint was filed against the company responsible; it was not one of our subcontractors.





## HEAT WAVE: RECORD TEMPERATURES REACHED

After an initial period of severe heat at the end of June, Belgium experienced several more hot days in mid-summer. On 24 and 25 July, exceptional temperatures were even recorded across the whole country. The mercury soared above 40 °C over much of the country, reaching a record 41.8 °C in Begijnendijk (Flemish Brabant), according to the RMI (Royal Meteorological Institute of Belgium).

With such weather conditions, the rail infrastructure suffers. Under the influence of heat, catenaries or rails expand, which presents risks for trains.

Despite preventive measures and close monitoring of the network by our teams, several incidents occurred as a result of the extreme heat. Several trains experienced problems, and speed limits had to be imposed in some places.

### REFRESHMENTS AT THE CLIS

To help them cope with the high temperatures, our teams benefited from a unique action: the distribution of cold drinks and ice cream in the workplace. Entitled “Summer Pop Up Bar”, this initiative was a great success with our staff, who were delighted to be able to relax for a few moments. This project integrated the Energy@Infrabel programme, a plan to improve the well-being of our employees, by offering, in particular, a few moments of relaxation to those who maintain and modernise our infrastructure every day.

### ... AND HOT CHOCOLATE FOR SIGNAL BOXES

Following its success last summer, we decided to repeat this initiative as soon as the first frosts arrive. A food truck toured the country during the months of November and December to offer waffles and hot chocolate ... enough to boost morale when the days get shorter and the sharp cold stings our faces!





## REJUVENATION OF THE RUISBROEK BASCULE BRIDGE

20 kilometres of cables, 4,000 connections in fuse boxes, a complete renovation from top to bottom... and a good dose of elbow grease! This sums up the modernisation work on the Nijverheid Bridge, located not far from Antwerp. In collaboration with De Vlaamse Waterweg, the renovation work on this structure spanning the maritime canal was aimed at improving the flow of rail, road and maritime traffic.

This bascule bridge, whose deck lifts almost perpendicularly to allow boats to pass through, is a complex construction, characterised by the large number of moving parts it contains. To ensure reliability, the old system has been completely replaced, as have the signalling and electrical installations. In addition, the bridge was equipped with a brand-new camera system, as well as a new lighting system on and around the structure. Our teams also replaced computer equipment, fibre-optic cables, grounding systems and locking mechanisms.



### DUAL SYSTEMS TO AVOID FAILURE

To guarantee the circulation of both trains and boats, all systems have been duplicated. In the event of a system failure, this strategy allows a backup system to take over to avoid any impact on rail or ship traffic. In addition to this advantage, the new equipment installed offers better resistance to high temperatures and wear and tear. Finally, they can be remotely controlled, to facilitate bridge manoeuvres.

### ONE BRIDGE CAN HIDE... FIVE MORE

The renovation and modernisation of the Nijverheid Bridge has served as a laboratory for five other upcoming projects. In 2020, our teams will tackle the two bridges known as the Jan Bogaerts bridges (railway and road bridge in Kapelle-op-den-Bos). A year later, it will be the turn of the three Scheldt bridges to be modernised. Our employees will then be able to rely on the know-how acquired during the work at Ruisbroek to carry out their new assignments.



## A NEW RECRUITMENT CAMPAIGN

Almost a year after launching the largest recruitment campaign in its history, Infrabel unveiled a second action aimed at attracting its future employees. At the heart of this new phase: technicians, engineers, safety/traffic controllers and computer scientists... essential profiles to guarantee the performance of our network and the safety of rail traffic.

### A 100% INFRABEL CAMPAIGN

To attract attention, the action highlighted our staff through an original video that was... "100% made by Infrabel". No actors or extras were hired for the occasion. Our employees played their own roles because who better than they could appear more credible and make others want to join the company? The end product is a film that has become a great source of pride for the participants.





## CABLE THEFTS: OUR TEAMS UNDER PRESSURE AGAIN

Summer saw an increase in cable thefts along our lines. The regions of Liège, Charleroi and Namur were particularly affected by this new wave of pillage. As is often the case, the locations where the thefts took place were located along major roads. This allows the criminals to escape quickly with their loot.

Unfortunately, the problem has taken on a new dimension as thieves are increasingly attacking emergency cables, which are supposed to secure the infrastructure in the event of an incident or malfunction. Each time, this forces our teams to redouble their efforts to restore the situation. In the end, the fallout for rail traffic continues to grow, which has an impact on our customers' business.

To counteract this phenomenon, Infrabel relies, for example, on the use of aluminium, whose resale value is lower than that of copper. This strategy is intended to discourage thieves from continuing to take risks in view of the lower potential gains. Infrabel also emphasises that it will do its utmost to continue working with the police services, in particular the Railway Police. The fight against this scourge can never be won without close collaboration between all stakeholders. It is only by joining forces that it will be possible to put an end to this phenomenon.

### 14 TO 28 MONTHS IN PURSUIT OF FOUR THIEVES

In mid-autumn, Hal-Vilvoorde Public Prosecutor's Office requested a sentence of several months for 4 people suspected of cable theft. Arrested in March, their mobile phones contained the details of a company that had been robbed. They were in possession of a pair of shears and large amounts of money. The 4 accused, from Romania, were finally sentenced to prison terms of 10 months to two years.







## EKIDEN 2, THE RETURN

After the success of 2018, Infrabel organised a second Ekiden, according to the same principle, but in another location. This year, therefore, it was the turn of Schaerbeek CLI to welcome our athletes. Accompanied by family and friends, the fifty or so teams registered covered the 42 km under a magnificent blue sky and in a joyful atmosphere. The winners, the "Dragon Deers", completed the course in 2 hours, 43 minutes and 34 seconds. The last team took an hour and a half longer, but no matter: it's the taking part that counts.







### PENSIONER = PASSIONATE!

Once you retire, it is not always easy to close the book on a profession that, over time, has become a passion. However, today, it is possible for every employee who leaves us to continue the adventure!

Every time a person reaches retirement age, a little knowledge disappears. For Infrabel, one of the main challenges is therefore to ensure the transfer of knowledge between generations. However, in order to train *young employees, Infrabel needs experienced people. To achieve this, pensioners are* given the opportunity to offer their services as trainers in order to strengthen the Academy!

How long is a mission? It can vary from a few days to several months. The person decides and Infrabel adapts. It's that simple! One important point: the contract is by the day. The employment is made through a temporary employment agency or an external training organisation, as the case may be.

To facilitate the task of those transmitting their activities and those taking them over, //Academy has developed the practical guide *7 steps for a transfer of knowledge*. Brimmed with ideas and advice for encouraging the sharing of knowledge, it is also a valuable tool for each team leader who is accompanying his or her colleagues in such a process.

This strategy fits within a more general framework, where the newly-recruited employee follows a path of integration during which emphasis is placed on our number one priority: Safety First. Moreover, to encourage even greater awareness of this essential dimension, a new training course has been developed: Safety and well-being at work.





## ICT TRAINEESHIP: CONTINUATION OF A SUCCESSFUL TRIAL

Winner of a 2018 HR Award from recruitment professionals, the Traineeship initiative of our ICT Department was renewed in 2018. In a job market where it is becoming increasingly difficult to hire IT or Telecom profiles, it is important to offer new recruits interesting career opportunities to encourage them to join our ranks.

For 2019, some twenty trainees were given free reign to develop original solutions as part of our activities. This strategy allows each new entrant to get to the heart of the issues facing our company. It is up to them to figure out creative ways of meeting the challenges assigned to them. Enough to motivate everyone!

As a reminder, thanks to the Traineeship system, an internal coach accompanies each new person hired. Thanks to their knowledge of the company and their experience, the coaches advise and supervise their protégés. Together, they will develop a common project, which will then be presented to ICT and the requesting services.



## « TOUT S'EXPLIQUE »

The French-language channel RTL-TVI devoted one of its flagship programmes to the railways. In “Tout s’explique”, a news and documentary show, the journalists began by following the preparation of a police operation aimed at intercepting cable thieves, a scourge of which Infrabel is the victim. After having followed the progress of the police action, the team of reporters also wanted to highlight the work of our staff who give their absolute utmost on our network. They have to keep our infrastructure efficient and repair every damage caused by the thieves. The documentary showed how they do this on a daily basis, often in difficult circumstances. Day and night, whatever the weather, our teams must be ready to respond to emergency situations at all times. The show’s presenter, Maria Del Rio, thanked them for their work and dedication.





## BRUSSELS-SOUTH: FAREWELL TO THE “ALL RELAY”

On 14 October, one of the largest construction projects ever carried out in the heart of the capital began. The final phase of a vast modernisation programme begun in 2014, it aimed to renew 65 light signals and 170 switch motors south of Brussels-Midi station. Despite the scale of the work and in consultation with SNCB, we succeeded in minimising as much as possible the impact of the operations on train movements. Only a few P-trains were cancelled, diverted or redirected to four other Brussels stations. In the end, 85% of trains were able to follow their usual itinerary. This strategy enabled the majority of commuters to travel without hindrance.

However, two total shutdowns were necessary to carry out some of the interventions. We therefore took advantage of the two autumn public holiday weekends (31 October to 1 November and 9 to 11 November). During these six days, our teams had the opportunity to test the new signalling system installations. Finally, they checked 240 test runs, which represents thousands of possible routes.







## **SAFETY, AN ABSOLUTE PRIORITY**

But why this work? To make our network even safer. The electromechanical technology used until now no longer meets current requirements. To guarantee a high level of reliability for our infrastructure, it was essential to computerise all the signalling located upstream of Brussels-Midi. This technological leap will make it possible in the future to continue the implementation of the ETCS, the European security system.

## **AN ALTERNATIVE TRANSPORT PLAN**

Despite the reduced impact of the work on passengers in relation to the scale of the task, we still consulted with the SNCB and STIB to enable everyone to reach their destination as simply as possible. Intermodal solutions were thus proposed to travellers. Finally, it should be noted that Infrabel, SNCB and HR Rail have increased the teleworking opportunities for railway staff. This decision was taken with a view to freeing up train seats to provide as many seats as possible for commuters entering or leaving the capital.

## **A FULLY MOBILIZED STAFF**

At the most on the busiest days, 300 employees simultaneously took up this major challenge. To minimise the impact on traffic, a large part of the work took place at night. To achieve this, we were once again able to count on the motivation of our staff!







### 350 FIREFIGHTERS TRAINED TO OPERATE IN A RAILWAY ENVIRONMENT

In collaboration with the Federal Knowledge Centre for Civil Safety, the Brussels Fire Brigade Training Centre, the SNCB and other railway companies, we have organised a series of training courses for firefighters.

An incident on our network is not an exciting prospect, but we cannot exclude it, despite our efforts in relation to safety. However, there are risks associated with operating in a railway environment. For an emergency worker, it is therefore imperative to be trained in the dangers he or she may encounter on our network. Combining theory and practice, each session was highly successful with both male and female firefighters, so that all proposed dates were fully booked.



### CONNECTED FENCES: A FIRST TO PREVENT INTRUSIONS ON THE TRACKS

Unfortunately, dangerous behaviour on our lines is a frequent occurrence. For a long time, we have been taking action to curb this phenomenon, which is responsible for many deaths and accidents. In addition to the victims, this phenomenon also has an impact on punctuality. To combat this trend, we have already installed or tested various systems. In particular, we have put up fences in various locations. If this measure seems effective in the short term, it is much less so in the medium to long term. Vandalism quickly manifests itself: dismantled, damaged, severed fences, etc. So many gaps that certain oblivious people rush through. And to repair the damage, our teams then have to intervene urgently, which diverts them from their primary missions and represents a significant cost for the company.

At the end of October, we therefore presented our first connected fences. Equipped with sensors and a camera which sends image to the Control Room (NMBS/SNCB), this system detects the slightest attempt to climb or damage the fences. Able to target the area precisely, an alarm then activates to scare away people who are being too “adventurous”. At the same time, our teams are alerted and can visualise the situation on their screens. Depending on their findings, and if the situation so requires, they can then stop traffic to avoid a fatal accident.

# // Go!

## OUR NEW STRATEGIC PLAN: OBJECTIVE FOR 2040

In the autumn of 2019, the Board of Directors approved our new 2020-2024 Strategic Plan. The philosophy behind the plan is simple and ambitious: without interfering with the daily tasks of an infrastructure manager, we will fundamentally adapt our strategy to radical social changes. This customer-focused plan aims to achieve operational excellence in all our activities – notably through a continuous process of innovation and the increasing digitisation of our company – and to position our company, in the longer term, as the essential link in our country's mobility chain.

The governance principles of this plan were defined at the end of 2019. Its concrete implementation begins in January 2020.

### A CHANGING WORLD

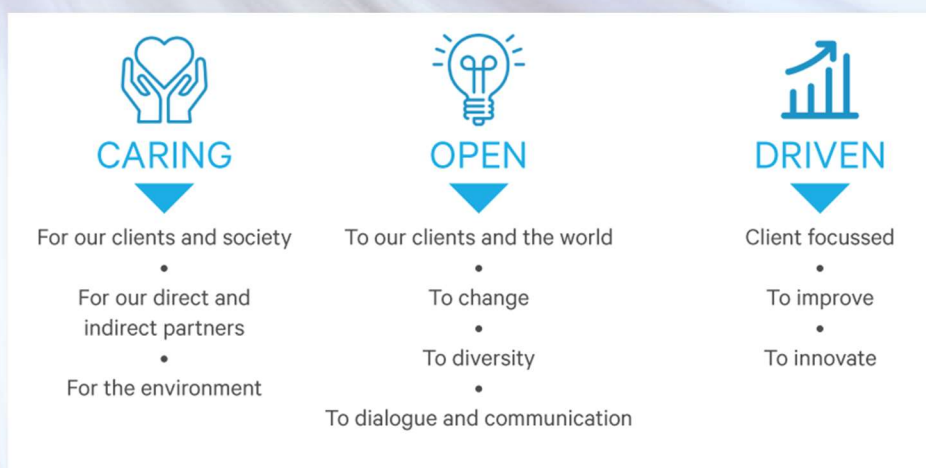
Increasing urbanisation, climate change and environmental challenges, digitisation of our lives and population growth, increasing demand for energy and natural resources... these are a series of challenges that our societies are already facing, but that will weigh more and more heavily in the coming decades, including on our company and our customers.

In addition to these major trends, several other developments are forcing Infrabel to reinvent itself. Negative pressures on public spending, the "talent war" forcing companies to be more and more creative to attract the best profiles, a regulatory framework whose constraints are constantly increasing, customers and travellers with greater demands, the emergence of new services in the field of transport... these different dynamics are changing the situation and forcing our company to renew itself, if not reinvent itself.

### ONE MISSION & THREE VALUES

With Go!, we define our daily mission as follows: "As a driver of sustainable mobility, we work 24 hours a day, 7 days a week, to guarantee a safe and reliable rail network." In the long term, we translate this mission into the following rationale: "Shaping a network of sustainable and civic mobility together." In other words, our ambition is to play a structuring role in the Belgian mobility ecosystem. In this way, we aim to improve intermodality while promoting socially and ecologically responsible mobility.

The three supported plan are therefore follows:



values by this

as



# // Go!

## NEW STRATEGIC PRIORITIES

With this new plan, our priorities are changing significantly. From now on, we have six priorities that, in the end, all aim to create added value for all our customers:

- Safety First
- Focus on punctuality, with all stakeholders
- Rethink the network
- Catalyst for Mobility as a Service
- Corporate sustainability
- Make sound economic choices

## LEVERAGING FOR SUCCESSFUL IMPLEMENTATION

We have also defined seven levers that, like accelerators for Infrabel's transformation, will enable us to achieve our mission and strategic objectives in the longer term.





## CLOVIS TUNNEL, IMPORTANT WORK TO GUARANTEE SAFETY

To reach Namur from Brussels, line 161 crosses the heart of the capital of the European Union. For about one kilometre, trains travel through the Berlaymont tunnel, which consists of three structures: the Ambiorix tunnel, the Charlemagne tunnel and the Clovis tunnel. Built in the nineteenth century, some of its arches still dated from 1890! To guarantee the safety of both traffic and surface road users, we absolutely had to undertake a major renovation project.

### DEMOLITION OF THE ROOF

To waste as little time as possible, giant cranes lifted complete vaults, which were then evacuated by special convoy. Of course, it was important to spare the catenaries. To achieve this, it was decided to take protective measures to ensure that trains ran smoothly.

To limit the inconvenience and the impact on rail traffic as much as possible, some of the work took place at night, in particular on a continuous basis during 4 weekends in November and December. The new vault will be installed in spring 2020. Construction of two new emergency exits at Ambiorix Square and finishing work will continue until the end of 2020.

## FINDING TALENT, OVER AND OVER AGAIN

November brought an end to our Job Days. Just like last year, we carried on our efforts to convince the best profiles to join our company. Determined to become an Employer of Choice, Infrabel is developing a strategy that takes into account not only our staff needs, but also the special situation on the labour market. However, 2019 was marked by the accentuation of a phenomenon that has been growing continuously for several years: a shortage of qualified and experienced technical profiles. And this trend is expected to continue and even intensify in the future!

In a context where it has become difficult to find the right candidate, it is imperative for Infrabel to be attractive. To achieve our goals, in addition to our Job Days, we continue our employer branding activities throughout the year as shown by our latest campaigns conducted both through traditional channels, such as billboards, and through social media. In 2019, to reach young graduates, we focused heavily on social networks particularly.

| Jobdays       | Number of jury examinations | Number of successful candidates |
|---------------|-----------------------------|---------------------------------|
| Anvers        | 44                          | 17                              |
| Denderleeuw   | 24                          | 10                              |
| Courtrai      | 34                          | 15                              |
| Louvain       | 39                          | 12                              |
| Waasland-Gent | 10                          | 5                               |
| Merelbeke     | 28                          | 16                              |
| Bruges        | 21                          | 13                              |
| Anvers        | 31                          | 17                              |
| Schaerbeek    | 83                          | 24                              |





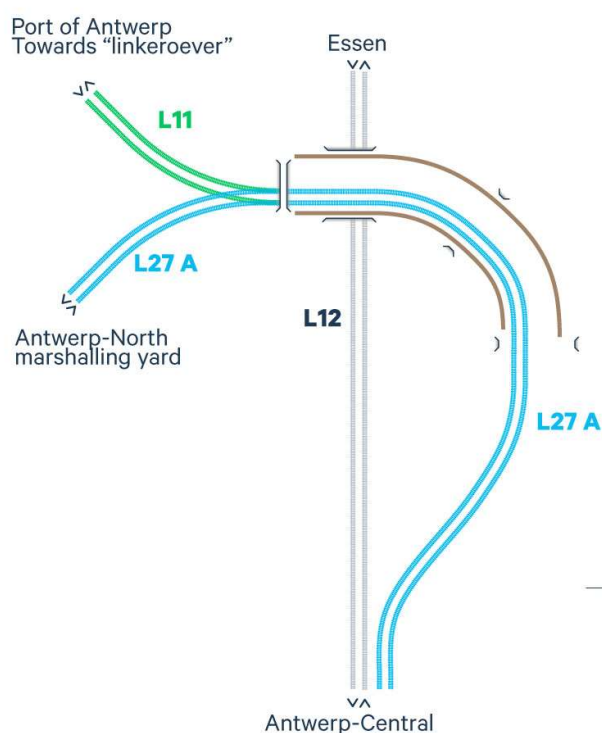
## PORT OF ANTWERP: AN INCREASE IN CAPACITY IN SIGHT

In order to facilitate the movement of freight trains in the region of Ekeren, Infrabel has announced its intention to submit a request to the Flemish Region to increase rail capacity within the port of Antwerp.

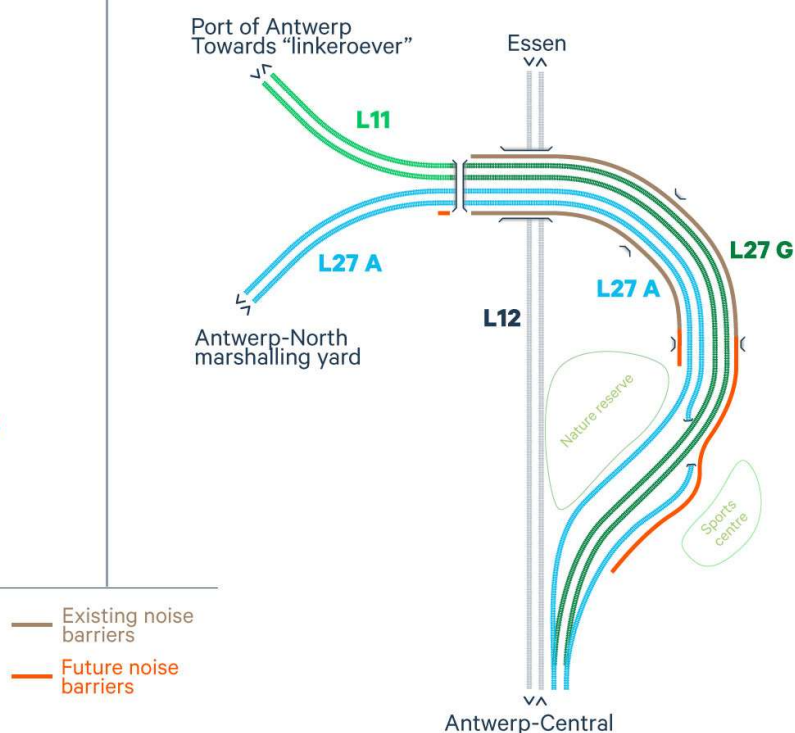
By 2030, the port is aiming to double rail freight transport, at the expense of road traffic. This policy aims to contribute to the decongestion of the Antwerp region. As a player in sustainable mobility, Infrabel wishes to fully support this initiative, which aims to reduce air and noise pollution in the surrounding area.

Currently, the crossing of two freight lines (lines 11 and 27) creates a bottleneck. Our solution to solve this problem is to put the lines on different levels. This solution should make it possible to increase the number of train passages and therefore the capacity.

### Current situation



### Future situation





## 15 YEARS IS SOMETHING TO CELEBRATE!

In the autumn of 2004, Infrabel was born. To celebrate this event, we organised an activity for our staff. By registering on our //Workplace and subject to availability, our staff could enjoy an unforgettable moment with the family at the Circus of Alexandre Bouglione, the famous gypsy artist. On the Heysel plateau in Brussels, the artists and Saint Nicholas welcomed young and old under their big top. Acrobats, jugglers and clowns succeeded one another, on the ground or in the air. Judging by the children's laughter and amazement, it was a great success! ... and once again: *Happy Birthday, Infrabel!*



## GREEN DEAL FOR CIRCULAR PURCHASES IN WALLONIA

In line with our commitments, we are continuing our efforts to reduce the impact of our activities on the environment. At the end of November, we signed the "Green Deal for Circular Purchases in Wallonia"<sup>1</sup>, in the presence of Willy Borsus, Walloon Vice-President and Minister for the Economy. Through this commitment, we agreed to develop an action plan within six months. In addition, we guarantee the implementation of one or two pilot circular purchase projects over a period of three years. Thanks to this participation, we are also integrating a community of experts and other signatories. This will allow us to exchange good practices easily between many actors who are as motivated as we are to make things happen!

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<sup>1</sup> The Green Deal for Circular Purchases in Wallonia is an initiative of the Walloon Region, in partnership with The Shift, the UCM and the UWE.





## ON 3 DECEMBER, BRUSSELS POLICE COURT DELIVERED ITS JUDGEMENT IN THE CASE RELATING TO THE BUIZINGEN ACCIDENT OF 15 FEBRUARY 2010. NOT ONLY WERE THE TRAIN DRIVER AND THE SNCB FOUND TO BE AT FAULT, BUT SO TOO WAS INFRABEL.

The verdict came as a huge surprise to Infrabel, and the judgement requires Infrabel to do something that nobody is capable of: anticipating the unimaginable. It places Infrabel under the obligation to achieve specific results consisting of drawing up a safety policy guaranteeing the prevention of any accident. Furthermore, the judgement fails to recognise the safety measures that Infrabel has put in place since its creation. For example, the Police Court asserts, contrary to the reports of the independent judicial experts, that the TBL1+ beacon at Buizingen station – insofar as it is equipped with TBL1+ technology – does not automatically stop the train, but merely establishes GSM contact with the driver. Consequently, the judgement imposes other measures whose positive impact on safety and practical feasibility have not been clearly established by the independent judicial experts.

Along with all the parties concerned, Infrabel had been hoping that the judgement **would have enabled everyone to worthy come to terms with this sad accident**. It is essential that everyone is judged on a realistic basis, taking into account what is feasible in reality and not just in theory. A judgement requiring the mobility sector to eliminate all risk ignores this and creates a false sense of security. That is why, notwithstanding the profound respect we have for the victims of this disaster and their families, Infrabel has appealed against this decision, to ensure this court ruling does not divert our company from the real priorities in the area of safety.



## SAINT-NICOLAS, PATRON SAINT OF ALL CHILDREN... AND CITIZENS WHO RESPECT THE HIGHWAY CODE

It's starting to become a tradition: the famous Saint met young and old near two level crossings, one in Buggenhout, the other in Charleroi. His bag was filled with goodies... Whilst handing out delicious chocolate, he reminded road users of the safety rules at level crossings: if the barriers are down, it is forbidden to cross the tracks.

Unfortunately, the Saint, together with his sooty Petes and Securail officers, also witnessed how some people continue to behave recklessly! Despite our multiple prevention campaigns, four offences were detected in Buggenhout, under the nose of the great man himself, who could not believe his eyes. The offenders therefore received a hefty reprimand from the furious Saint! And saw the bag of sweets pass them by of course.

This action is one of several initiatives designed to make as many people as possible aware of the basic rules of the highway code. Among them, at the end of November, we introduced our new warning signs at level crossings. Their aim? To remind motorists not to enter onto a level crossing unless they are sure they can cross it quickly.





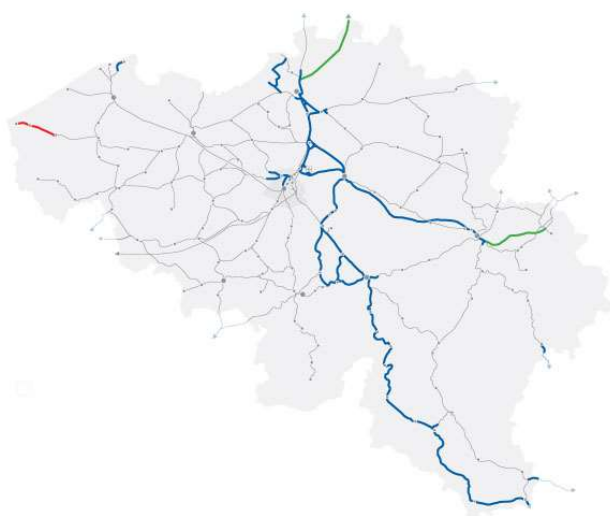
## SIMIS-W: 100% DIGITAL INTERLOCKING SYSTEM FOR OUR SIGNALS

As we have already mentioned in the context of the work at Brussels-Midi, we are pursuing a policy of signal digitisation. Year after year, the “all-relay interlocking system” is giving way to a computerised system. The time when levers had to be positioned - or *interlocked* - to operate the signals will soon be over. Today, in order to pursue our strategy of increased network security, everything must be digitised.

### AN IMPORTANT STEP IN THE DEPLOYMENT OF ETCS LEVEL 2

After years of preparation and tests, our teams have equipped the pilot line between Dixmude and Lichterfelde (L73) with the SIMIS-W system, which has already been installed in numerous grills throughout the country. This totally computerised solution is the necessary step to enable the deployment of ETCS level 2 onto our infrastructure.

Before our network becomes fully equipped with the SIMIS-W system, the challenge facing our teams is to keep the old and the new interlocking system side by side. Thanks to good collaboration, both internally and with our supplier, the integration was successful for this test phase. A first success on line 73, which opens up the prospect of wider implementation throughout the country.



## ETCS MASTERPLAN

|          | km<br>in service | km<br>planned |       |
|----------|------------------|---------------|-------|
| ETCS1 FS | 1.453            | 2.235         | 65 %  |
| ETCS2    | 30               | 2.835         | 1 %   |
| ETCS1 LS | 0                | 1.187         | 0 %   |
| ETCS1+2  | 142              | 142           | 100 % |
| <hr/>    |                  |               |       |
| Total    | 1.625            | 6.399         | 25 %  |







## Environment

Sustainable mobility is part of our DNA. In this area, we are striving to strengthen our commitment year after year. Our concern for the climate and the environment plays a role in every decision we make, as evidenced by the following initiatives taken in 2019.

### ALTERNATIVES TO HERBICIDES

In 2019, Infrabel engaged in practical pilot projects to analyse the feasibility of alternative and preventive techniques on railway premises. Various alternative techniques are tested in the pilot projects: mowing, brush-cutters, manual uprooting, low-maintenance planting, hot water and steam, etc. Preventive techniques are also used, including asphaltting, rubber mats and geotextiles. When using these techniques, financial, technical and operational conditions are weighed against each other. It is planned to implement them more broadly in the coming years. Nature-sensitive areas are a priority in this respect.

For health and environmental reasons, Infrabel wants to reduce its use of herbicides as much as possible. Herbicides are currently only used at locations where weeds have an impact on the safety of rail traffic, workers and passengers and where no alternatives are possible. In doing so, we strictly follow the legal provisions, in consultation with the regional authorities. There is no spraying in certain sensitive drinking water protection areas, in Natura 2000<sup>2</sup> areas and in VEN<sup>3</sup> areas.

Infrabel also participates in international studies, including the HERBIE (Guidelines, State of the Art & Integrated Assessment of Weed Control and Management for Railways, completed in 2018) and TRISTRAM (Transition STRategy on vegetAtion Management) projects of the UIC.

<sup>2</sup> <https://www.natura2000.vlaanderen.be/> or <http://biodiversite.wallonie.be>

<sup>3</sup> Vlaams Ecologisch Netwerk (Flemish Ecological Network):  
<https://www.natuurenbos.be/beleid-wetgeving/beschermde-gebieden/ven-ivon/inleiding>



We are also strongly committed to raising the awareness of all partners involved. To inform technical staff and contractors about the use of herbicides and about the application of alternative and preventive techniques, detailed training courses were organised in the spring of 2019. An additional session for technical staff followed in the summer of 2019. These courses were complemented by an extensive information campaign for all our employees in the spring of 2019.

## ISO 14001 AS A GUIDE

In 2017, many Infrabel sites were awarded the ISO 14001 certificate. These guidelines help us to reduce our impact on the environment and treat natural resources with respect. ISO 14001-certified sites follow certain guidelines to reduce energy and water consumption in buildings, to use and store hazardous products correctly, to sort waste properly and to inform and raise awareness among our staff.

Certification takes place every three years with an annual follow-up audit in between. This year, the second follow-up audit was successfully completed - an additional motivation for the new certification in 2020!



## A PASSION FOR BIODIVERSITY

As in previous years, we want to increasingly enhance the value of the flora and fauna along the railways. We are doing this by having goats and sheep graze on verges, planting flower meadows, carrying out ecological studies, etc. To this end, Infrabel is working with various partners such as Natuurpunt, Natagora, the ANB (Flemish Nature and Forest Agency), the DNF (Walloon Department for Nature and Forest) and Bruxelles Environnement and is actively participating in the Green Deal Biodiversity<sup>4</sup>, a 4-year partnership with the Flemish Government to stimulate biodiversity through nature-friendly management and the exchange of best practices.

<sup>4</sup> Green Deal Biodiversity Flanders: <https://www.lne.be/green-deal-bedrijven-en-biodiversiteit>







# Awards

Every year, Infrabel and its employees win awards, which reward the efforts of each and every one of them. This year was no exception.

## INSPIRING WINNER AND PRACTICE 2010-2019 RISK MANAGEMENT AWARD

In December, our Procurement Department won one of the prestigious Peter Kraljic Awards. The award is given to the company that has distinguished itself the most between 2010 and 2019. Among the many companies competing, Infrabel was awarded the highest recognition, the one that crowns “the best of all”.

This award recognises the work of collaborators who too often work in the shadows. Each year, Procurement awards an average of 650 contracts. It is worth pointing out that, unlike our competitors, our Purchasing Department, as with any public company, is subject to very strict rules. The merit of this is, therefore, all the more noteworthy.

## FAIRTRADE@WORK

Thanks to our responsible purchasing policy, we won the Fairtrade@Work award. To be eligible for such an award, we obviously had to meet certain requirements, in particular by involving our employees in the Fairtrade initiative. To be rewarded with such a prize motivates us to continue on this path and to continue to promote responsible purchasing in favour of fair trade. As a reminder, Fairtrade guarantees producers a fair price for the purchase of their products, allowing them to meet their needs and, at the same time, to develop sustainable commercial relationships. This approach therefore integrates a series of social, economic and ecological criteria.





## LEARNING AWARD 2019

At the 30th HRM Night, Infrabel received the Learning & Development Award from Epsilon for its Traineeship Program @ICT. This award recognises innovative training and development programmes. This prize highlights Infrabel's efforts with a view to attracting young male and female recruits who are passionate about IT. As a reminder, a "Traineeship" includes a discovery phase during which each new starter joining the company learns about Infrabel's IT careers, through a series of training sessions and visits (signalling boxes, Traffic Control, etc.). Moreover, each new colleague is sponsored by a member of ICT who shares his or her own professional experience, with a view to advising and encouraging his or her trainee.

## BELGIAN CORPORATE VIDEO FESTIVAL

Whenever possible, we like to highlight the growing presence of female employees within the company. In June, one of our videos featuring two colleagues won an award at the Belgian Corporate Video Festival. The jury was charmed by our approach, highlighting the authenticity, spontaneity and naturalness of the two speakers, a catenary technician and a construction equipment operator.

## OUR DATA PROTECTION OFFICER WINS 4 PRIZES

Katia Bodard represented us at the European Association of Data Privacy Professionals conference in Urmond, in the Netherlands. Several prizes were awarded at each of the debates in order to honour the different speakers. During these exercises, our DPO proved to be particularly convincing, to the point of winning four of them!



## BEST SPOKESPERSON AWARD

Chosen by a panel of journalists and by his peers, Thomas Baeken was elected best spokesperson of the year during the “Night of the Spokesperson”. After a career as a journalist, Thomas joined us in September 2011, in the press service. Since then, with the help of his colleagues, he has enthusiastically contributed to consolidating our company’s reputation. Upon receiving his award, Thomas made a point of thanking all the people at Infrabel who support him and help him inform the media and the press on a daily basis.





## Diversity

We are committed to defending gender equality and fighting all forms of discrimination. To achieve this, we pursue a diversity policy to promote equal opportunities. At Infrabel, only talent and competence count!

### INTERNATIONAL DAY OF WOMEN'S RIGHTS...

To celebrate the international day of women's rights, Luc Lallemand (CEO) decided to recall all of Infrabel's commitments in the domains of male and female equality. To this end, he published an opinion piece in the newspapers L'Écho and De Tijd. He wants to see the number of female employees at Infrabel on the increase. He highlighted once again that it is imperative to see Infrabel, as a public enterprise, become more representative of society, which is composed of more women (51 %) than men (49 %).

### TRAINBOW EUROPE: INFRABEL HOSTS THE ANNUAL CONFERENCE

At the beginning of September, we had the pleasure of hosting the annual conference of the Trainbow Europe organisation. This structure represents the LGBT Community of the railways of various countries. For the event, the logo over the entrance to our headquarters was adorned with the colours of the rainbow flag.

On the agenda of this two-day meeting: an exchange of good practices, a debate on stereotypes and their unconscious effects, and a series of testimonies. It was an opportunity for Luc Lallemand, CEO of the company, to remind everyone of his commitment to diversity and his firm opposition to all forms of discrimination.



## SUSTAINABLE DEVELOPMENT

### LUNCHTIME SESSIONS: GENDER EQUALITY

Our company and the world are changing. For a long time, we have been implementing active policies promoting innovative and social projects that contribute to a sustainable future. The company also aims to promote diversity within itself, as a source of enrichment. One solution to stimulate the debate is to give Infrabel's staff and external stakeholders the chance to speak. Thanks to their experience, each and every one will be able to expand their thought processes and implement change. This is the objective of the new Sustainable Development Lunchtime Sessions. The first session welcomed the presence of the Deputy Prime Minister Alexander De Croo. He was keen to highlight how important it is to support all initiatives that aim to offer women equal treatment to that of men.

#### BRAND GUESTS

The theme of the first meeting looked at ways to promote diversity and equality between men and women within the company. To lead the debate, two guests from the business world joined Luc Lallemand: Nele Van Malderen from Proximus (Strategic Advisor to the CEO/Proximus) and Frédéric Demars (Senior Vice President Human Resources/STIB) provided their perspectives. They used the opportunity to bring up the challenges that their companies are facing and that are comparable to our own.

Both companies are indeed more or less the same size as Infrabel. Moreover, like us, they are seeking numerous technicians, engineers and IT specialists, both male and female. They are ultimately facing recruitment challenges: the posts remain vacant due to a lack of candidates. There is another challenge added to the first: the roles facing a shortage of skills have fewer women than men. The challenge is therefore to improve the representation of women within the company at a time when there are very few women applying for the roles!

Following this debate, a conclusion was reached. No progress will be made unless there is active policy in place that aims to improve the representation of women within the company. This point was repeated by each speaker.

The debate highlighted several essential priorities to promote gender equality. Among them, fighting against differentiation in salaries, hiring and career management were revealed to be critical.





## 2. THE COMPANY'S POSITION AND KEY FIGURES

In February 2019, the DRSI withdrew Captrain Belgium's licence. At the end of November 2019, the railway company EuroCargoRail (ECR), which is part of the DB Cargo group, decided to no longer extend its safety certificate B in Belgium. Thus, there are now 10 freight operators authorised to run on the Belgian network: Lineas, CFL Cargo, Crossrail, DB Cargo Rail Nederland, Europorte, RailTraxx, Rotterdam Rail Feeding, SNCF Fret, Rurtalbahn Cargo Nederland and HSL Polska.

In the passenger transport sector, Infrabel has three customers: SNCB, Eurostar France and Thi Factory (Thalys). At the end of the year, Infrabel thus had 13 customers in all sectors combined.

The activity of railway companies (including tourist associations<sup>5</sup> and notified bodies) for 2019, expressed in effective<sup>6</sup> and non-effective train kilometres, fell slightly compared with 2018 to **109.48 million train kilometres**. This slight drop (-0.34%) can be explained primarily by the fall in the number of effective train kilometres in the national passenger transport and freight sectors.

The total number of effective train kilometres for all segments (excluding tourism associations and notified bodies) came to **99.60 million train kilometres**, a slight fall of 0.79% in 2019.

In the national passenger transport segment (excluding tourism associations and notified bodies), the number of effective train kilometres decreased slightly (1%) to **80.85 million train kilometres**. This development can be explained in particular by a marginal impact from network unavailability (e.g. works, incidents, etc.) during the year, as well as adjustments to services on days of industrial action (minimum service).

In international passenger transport, the number of effective train kilometres in 2019 rose to **5.65 million train kilometres**, an increase of 1.97% on the previous year.

In 2019, the number of effective train kilometres in the freight transport segment came to **13.1 million train kilometres**, a drop of 0.62% compared with 2018.

The total amount of the fee<sup>7</sup> for using the rail infrastructure (including tourism associations and notified body) was €781,17million, an increase of 2.74% compared with the previous year. The two main reasons for the increase in this fee can be attributed, on the one hand, to the index-linking of the prices applied by Infrabel in accordance with the provisions of the law (+2.35 %) and, on the other hand, to the increase in the number of effective train kilometres of international passenger and freight traffic.

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<sup>5</sup> A tourism association is an organisation that has special status to make certain trips on the rail infrastructure, as part of the tourism activities that it organises. It should be emphasised that no tourism associations have run trains on our rail network since 2017.

<sup>6</sup> An effective train kilometre is a train kilometre actually travelled by a train on the rail network. A non-effective train kilometre is one that was reserved by a rail company, but that was not used.

<sup>7</sup> This concerns the amount for the effective and non-effective fee 'Your Moves', including the administrative charges (AC). It should be emphasised that since Decision D-2015-11-S of 15 October 2015 by the Rail Transport Regulation Department and the Appeal Court judgement of 30 November 2016, Infrabel has been obliged to abolish flat-rate billing of the 'YourShunts' product. This obliges the company to exclusively apply the legal formula. Nevertheless, in view of the technical impossibility of applying the formula, the Excom decided on 17 January 2017 to no longer invoice the use of the local capacity (YourShunts) to the rail operators until another solution can be applied.





# KEY FIGURES



## SAFETY

203

Cable theft with impact on the traffic  
(in 2018 : 315)

705

Acts of trespassing and 128,820 mins  
total delay (in 2018: 769 acts and 139,697 mins)

45

Accidents at level crossings leading  
to 7\* deaths (in 2018: 38 acts and 9 deaths)  
\* to be confirmed

85

Signal overruns on the main track  
(in 2018: 87); reaching the first dangerous  
point in 29 out of the 85 cases



## PUNCTUALITY

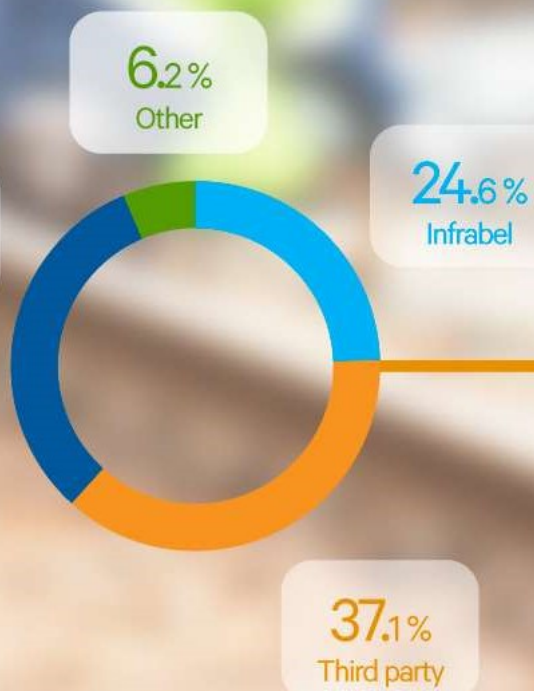
90.4 %

Overall punctuality without neutralisation  
(in 2018: 87.2 %)

93.3 %

Overall punctuality with neutralisation\*  
(in 2018: 91.7 %)

\* Neutralisation of external factors and investment works



### DELAYS

63,748 minutes  
DELAYS FROM  
FOREIGN NETWORKS

128,820 minutes  
ACTS OF TRESPASSING

62,620 minutes  
COLLISIONS INVOLVING PEOPLE

15,358 minutes  
CABLE THEFT

39,082 minutes  
ACCIDENTS AT LEVEL CROSSINGS



## PRODUCTION

1,636,327

Actual train paths  
(in 2018 : 1,626,473)

109,478,748

train kilometres  
(in 2018 : 109,847,101)

888.0 million €

of investment made  
(in 2018 : 884.9 million)

100.0 %

of investment made compared to the amendment,  
including all sources of financing (in 2018 : 99.0 %)



## FINANCE

REBITDA:

14.73 million €

EBT:

-26.79 million €

Cash:

260.3 million €



## IN TUNE WITH SOCIETY

on 31/12/2019

9 924

Staff (ETP) (10,107 on 31/12/2018)



89 - 11

percentage of men  
and women  
on 31/12/2018



38

resident  
events  
organised



2

partnerships  
to give our  
IT equipment  
a second life



4,793 MWh

production  
of solar electricity



1,00

hours of volunteer  
work provided to  
associated organisations

77 KM

of tracks equipped  
with new rail pads to  
limit sound disturbance

9

Job days

23 GWh

production of wind  
electricity

46

non-profit  
organisations with  
which we work





### 3. IMPORTANT EVENTS THAT OCCURRED AFTER THE END OF THE FINANCIAL YEAR

#### GO !, A GRADUAL PHASING IN

With the new GO ! strategic plan, a new organisational structure of the company will gradually be phased in by 2021. Within this framework, the functions of CCO and COO came into being on 1 January 2020.

On 16 December 2019, the Board of Directors approved the appointment of Ms Ann Billiau as Chief Client Officer (CCO). Tasked with putting our customers at the centre of internal decisions, her mission is to listen to them in order to best meet their current and future expectations.

On the same day, Mr Jochen Bultinck was appointed Chief Operations Officer (COO). Initially, his task is to improve the day-to-day management of the network, in consultation with the CEO. In particular, he will contribute his expertise with a view to adapting the organisation of works and promoting synergies between the Asset Management and Traffic Management & Services Divisions. In the long run, he will have to ensure the consolidation of the Asset Management, Build and Traffic Operations activities.

With these two functions and the people who embody them, it is now possible to analyse our processes from a new angle with a view to making a series of innovative proposals for our activities, both from an operational and commercial point of view.

For one year, the CCO and COO will examine the company's situation with a view to proposing concrete measures giving us the means to give new impetus to sustainable mobility in Belgium.





## APPOINTMENT OF A CEO

After 15 years at the head of the company, and with his term of office having ended in November 2019, Mr LucALLEMAND took the decision to stand down as the Chief Executive Officer of Infrabel. This decision was made public on 6 January 2020, and MrALLEMAND left the company at midnight on 29 February.

On 25 February, the Board of Directors decided to appoint Ms Ann Billiau as acting CEO. She also retains her responsibilities as Chief Client Officer.

Ms Billiau took up the post of acting CEO on 1 March 2020 and has been entrusted with this new role until the new CEO takes office, following appointment by the Federal Government. At the same time, in order to comply with the legal requirement that two French-speaking members must sit on the Management Board, Mr Eric Mercier was appointed as an acting member of this body. He also retains his existing role (Chief Digital Officer).

At the time of finalising this annual report, the Federal Government has not yet appointed a new CEO.

## COVID-19 HEALTH CRISIS

After affecting China, COVID-19 arrived in Europe and Belgium. Public authorities, notably through the Federal Government, took measures to curb the spread of the virus amongst the population. These necessary measures are likely to have a significant impact on the Belgian economy and on public finances.

Consequently, Infrabel's finances, which are very much dependent on government subsidies, could also be affected, although the extent of the impact cannot be foreseen at the time of writing this annual report.

Furthermore, as the coronavirus situation deteriorated, the SNCB and Infrabel were faced with a sharp rise in the rate of sickness-related absenteeism amongst their employees. It reached a point where the two companies were forced to cut back their services to maintain continuity on our essential lines. At the time of writing this annual report, services had been reduced by 3%, although scenarios were being considered with a view to potentially cutting services by as much as 50%. Whatever the scale of these cutbacks, they will inevitably have consequences for Infrabel and its financial situation.

Lastly, the government may be required to take further measures to restrict movement and social contact, and these could also have consequences for Infrabel.







## 4. CIRCUMSTANCES LIKELY TO HAVE A CONSIDERABLE EFFECT ON THE COMPANY'S DEVELOPMENT

### NATIONAL ENERGY AND CLIMATE PLAN

Following its adoption by the Council of Ministers on 28 November, the Federal State and the three Regions agreed on the National Energy and Climate Plan (NECP) 2021-2030. This document, which had to be submitted to the European Commission by 31 December at the latest, sets out the contributions of each entity and comprises five sections: mobility, buildings, energy, financing and horizontal measures.

This plan aims to reduce greenhouse gas emissions in Belgium by 35%. It also specifies the national contribution to the European target of at least 32% renewable energy by 2030. It should be noted that the European objectives, as well as the criteria to be respected by the Member States, are likely to be adapted by the Commission of Ms Ursula von der Leyen. The latter is committed to offering the European Union grand environmental ambitions. At the opening of the plenary session of the European Parliament, for example, the new President spoke in favour of an upward revision of the targets, with the aim of reducing CO<sub>2</sub> emissions by 50% or even 55% by 2030.

At railway level, the NECP includes a series of measures:

- Full completion of the REN in 2031;
- The complete equipping of the railway network with ETCS;
- The purchase of new rolling stock;
- Several infrastructure works to modernise and increase capacity on certain routes;
- The commitment of the federal authority to study – in consultation with the SNCB and Infrabel – the railway offer to be put in place in the medium term with the aim of reaching a consensus on how to operate the network in the future and to determine, on the basis of the future offer, the priority investments to be made in terms of infrastructure;





- A reflection on the reduction of the costs of electricity used for rail transport (ETS, federal and regional surcharges, etc.);
- The boosting of multimodality;
- Studies on the possibility of operating lines with hydrogen trains or equipping electric multiple units with batteries to cover short distances on non-electrified lines;
- Promote rail for the transport of freight to increase this from 12% of the total to 20% in 2030;

The budgets needed to implement these measures are estimated at €35 billion for the period 2021-2030. However, the NECP is no guarantee of these amounts being acquired and validated.

In addition to the railway aspects, the objective regarding the “energy and climate neutrality of federal public buildings by 2040” also affects Infrabel. Concrete measures in this respect have not yet been defined.

### **BREXIT: ADOPTION OF THE WITHDRAWAL AGREEMENT, SEALING THE UNITED KINGDOM’S DEPARTURE FROM THE EU**

Following the resignation of Theresa May, Boris Johnson was appointed as Prime Minister on 23 July 2019. On 28 October, the European Council agreed to postpone Brexit again until 31 January 2020. The exact conditions under which Brexit will take place will depend on the vote due to be held in the British Parliament in January 2020.

As far as suppliers are concerned, Infrabel will not be affected greatly, as the company has few British partners. In the short term, neither will there be any impact on our relationship with Network Rail via the European and international professional organisations (EIM, UIC, etc.). The consequences will also be limited for the operation of the Rail Freight Corridor North Sea - Mediterranean (RFC NSM), which passes through the UK.





## SAFETY CERTIFICATION

In 2018, Infrabel obtained an extension of its safety certification by the national safety authority SSICF. This new safety certification is valid until 2023 and is based on EU regulation 2010/1169.

The report cites that there are some nonconformities that Infrabel hopes to eliminate by the end of 2019 at the latest.

### **PROTECTION OF WORK BY PROCEDURE S 460 (FOR TYPE II ENCROACHMENT WITHIN THE OBSTACLE PROFILE)**

The Rail Safety and Interoperability Agency (DVIS) formally closed the non-conformity concerning the S460 on 31/12/2018.

This recommendation was closed because Infrabel has taken additional measures to further reduce the risk of type II intrusion.

These measures were laid down in circular 20 I-AM/2018.

Infrabel will continue to monitor compliance with this circular and the use of the risk matrix via the first-line controls.

To further facilitate the follow-up of the DVIS recommendations and audits, Infrabel has also set up a digital monitoring system in RailReport.



## EUROPEAN DECISIONS

From a political point of view, 2019 was dominated by the European elections, which explains why there are hardly any new strategic initiatives to report.

In 2019, the outgoing college of the Juncker Commission focused in particular on the entry into force of the technical pillar of the fourth railway package, which provides for a major redistribution of competences between the national safety authorities (the SSICF in Belgium) and the European Union Agency for Railways (ERA). Given that Belgium has decided not to bring the fourth railway package into force until 16 June 2020, it is not yet possible to assess its impact on Infrabel and the Belgian railway system.



The European elections of 26 May 2019 also heralded a new parliamentary term for the European Parliament and the European Commission.

As a result of the exclusion of several candidate Commissioners and the delay of audiences with new candidate Commissioners, the new European Commission could only start on 1 December 2019 (instead of 1 November 2019). In the new college, Ms Adina Vălean (European People's Party, EPP) is responsible for Transport.

Apart from general information on the overall “European Green Deal” Master Plan, we still know very little about the strategic intentions of the new College of European Commissioners.

Several operational reforms, most of them aimed at promoting international freight transport via Rail Freight Corridors, are worth mentioning:

- Within the framework of the pilot project “Redesign of the international Timetabling process” (TTR) under the leadership of RailNetEurope (RNE), Infrabel and ProRail published the “Rolling Planning” capacity for the Rotterdam – Antwerp axis for the first time in August 2018.
- In 2019, two of the three freight corridors (RFC – Rail Freight Corridor) of which Infrabel is a part carried out simulations to test their “International Contingency plans” and correct them if necessary. In May 2019, the ministers of the countries concerned by the RFC Rhine-Alpine and RFC North Sea – Mediterranean evaluated the measures of the “Declaration on international contingency management” of 2018 with the aim of improving efficiency and ensuring that the two corridors can be worthy alternatives in the event of an incident. Greater emphasis will also be placed on improving punctuality and reliability.
- On the RFC North Sea – Baltic, the work was part of the future extension of the corridor to Latvia and Estonia by November 2020 at the latest.

Infrabel aspires to be involved constructively in the realisation of a unified European railway area. This includes active participation in European organisations that defend the interests of European infrastructure managers in Europe. To this end, Mr Luc Lallemand stood as a candidate for the presidency of the European Rail Infrastructure Managers (EIM), and was unanimously elected by his colleagues on 19 November 2019.

In addition, in May 2019, Ms Ann Billiau's term of office on the Management Board of RNE was also extended for a period of 2 years.







## 5. RISKS TO WHICH THE COMPANY IS EXPOSED

The Royal Decree of 25 December 2016 laying down the provisional rules for Infrabel's management contract and the subsidies for the years 2017-2020 ratified the savings to be made by Infrabel during the period, i.e. a decrease in the total amount of subsidies by 33% compared with the 2014 Management Contract and the multiannual investment plan 2013-2025.

When drawing up its 2017-2020 business plan, validated on 30 May 2017 by its Board of Directors, Infrabel took all possible measures to limit the impact of the reduction in the financial resources at its disposal on its customers.

Thanks to the implementation of numerous transformation programmes, Infrabel was able to pursue its operating cost savings programme. Thus, the company continues to follow the guideline taken in terms of staff reduction with 10,264 FTEs planned for the end of 2020 as against 12,045 FTEs at the end of 2014. This reduction is in fact only possible thanks to the implementation of productivity increase programmes, such as those carried out in the context of the concentration of signal boxes, by promoting the grouping of employees in a new work model (teleworking, I-WOW), or by renegotiating some of the maintenance contracts.

The effort made on operating expenses has enabled Infrabel to preserve as much as possible the investments made, in particular with a view to preserving the maintenance of the network. In this respect, Infrabel honours its commitment to preserving the operability of all the main railway lines and to keeping the appearance of temporary slowdown notices on the network under control.





As explained in the 2017-2020 business plan and confirmed in the various investment budgets to date, however, it is still essential to start catching up on the renewal backlog as early as 2021, otherwise it will be impossible to avoid a deterioration in the service offered to customers, whether in terms of quality of service or quantity, as a result of the potential decommissioning of parts of the infrastructure.

The Phoenix audit on the state of the network, the purpose of which was to draw up a report on the state of the network's assets and to assess the technical and financial requirements needed to maintain the network, confirms the need to reinvest in the network as soon as possible. According to this audit, the average annual additional need for classic investment subsidies for infrastructure renewal compared with the period 2016-2020 should be 99 million euros per year higher over the period 2018-2022. However, the means have already been limited between 2018 and 2020 in relation to the need. In addition, capping the resources allocated to network maintenance will not allow teams to limit the impact of underinvestment, precipitating the appearance of the first consequences of the possible capping of subsidies at the 2020 level on the network from 2021.

Moreover, Infrabel has no certainty as to the subsidies it will receive beyond 2020, especially in the presence of a caretaker government with which it cannot negotiate an increase in the subsidies granted to it. This uncertainty regarding the prominence accorded to rail within the State budgets is affecting short-term planning, but also making it difficult to define longer-term objectives.

In addition, the results to which the company has committed itself by 2020 were previously defined in a 2017-2020 business plan validated by Infrabel's Board of Directors and by the appropriate minister. To preserve investments, it was decided to transfer some 30 to 40 million euros annually from the operating subsidies to the classic investment subsidies. Over this period, the plan therefore authorised the achievement of a negative EBT annually up to these amounts. The impact of this decision on the evolution of Infrabel's debt had been evaluated and had led to the definition of a ceiling on the company's debt of 2,150 million euros. Maintaining or even improving its debt at the current level is essential for Infrabel in order to preserve its financial rating and thus avoid an increase in the financial charges linked to the debt and to the future RER pre-financing. To comply with this ceiling and maintain or even improve its debt, Infrabel must therefore return to zero EBT in the coming years. In the event of operational arbitration with a view to restoring balance, the reduction in the budgets allocated to it would irremediably make it impossible to guarantee the continued operation of the network. It would therefore be necessary to increase Infrabel's subsidies by some 30 to 40 million euros. Without obtaining additional subsidies, Infrabel would have to ask for a transfer in the opposite direction to the one implemented in the 2017-2020 plan and would have to make additional investment arbitration decisions, thus running the risk of aggravating an already difficult situation for the maintenance of the network.

As regards the Strategic Multiannual Investment Plan (SMIP) concluded on 5 October 2018, a first reforecast was carried out during 2019 and shows the first significant changes in the schedules and budgets for certain projects. Obtaining European grants, delays in issuing permits, inflation and the economic climate are all factors that have an impact on their implementation. Consequently, the appendices to the various cooperation agreements should be revised to incorporate these changes. In addition, as the regional key is affected, several measures should be activated in order to remain within the regional key tunnel defined within the cooperation agreements. Among other things, this could mean a revision of the allocation of the SMIP's own federal subsidies between projects or the request to activate the RER pre-financing from the Walloon Region in advance.

December 2019 also marks the start of the application of the new infrastructure fee formula, in line with European requirements in this area. There is therefore a risk that the actual fee may deviate from the theoretical estimates made in the budget exercises.

Lastly, 2019 ended with Infrabel being convicted at first instance in the judgment relating to the accident of 15 February 2010 in Buizingen. Although this choice was extremely difficult to make, the elements set out in







the verdict leave Infrabel with no other option than to appeal the verdict, as the implementation of the traffic safety improvement measures identified could have a considerable impact on the role of the railways in Belgian mobility. Infrabel hopes that the outcome of this appeal will enable it to benefit from a review of the additional constraints resulting from the first verdict and thus guarantee the continuity in the operation of the network.

Contractually, the private investor in the Diabolo project has the right to terminate the public-private partnership (PPP) early if the number of travellers over a 12-month period remains well below expectations. The national airport continued to see an increase in the number of travellers in 2019. Consequently, the conditions for early termination of the partnership are not met.

Infrabel has several major legal disputes in progress, mainly due to train accidents and contractor claims, and has set aside the necessary provisions for this purpose.

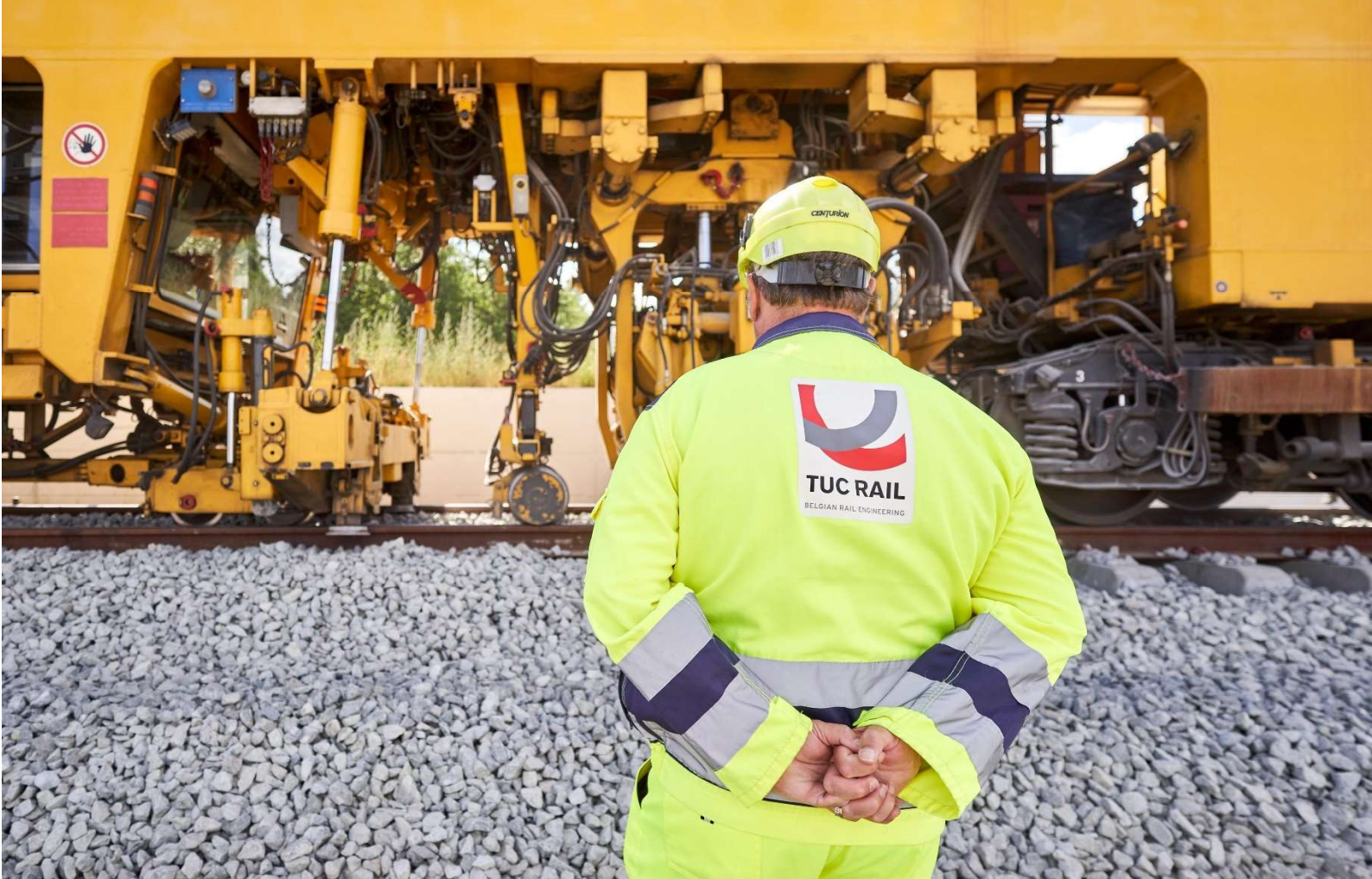
Following a tax inspection at HR Rail, in 2015 Infrabel repaid a proportion of the income derived from certain exemptions from the withholding tax included in the withholding tax return for 2013. However, in 2017, the supervisory authority reacted positively to Infrabel's request to rectify this via the operating subsidies, since the neutrality of the legislation with regards to the economic recovery plan on Infrabel's financial results had not been respected. Since the limitation period expired in 2019, the provision for the 2014 taxation year has been cancelled. As a precaution, the provision constituted for the 2015 tax year was maintained.



## 6. RESEARCH AND DEVELOPMENT

Thanks to its membership of various international organisations, Infrabel is benefiting from the international innovations arising from research and development programmes. Wherever possible, the company integrates these developments into its own operations. Furthermore, Infrabel encourages the application of internal innovative ideas into its industrial processes.





## 7. SUBSIDIARIES

At the end of 2019, Infrabel has five subsidiaries in which it holds a majority interest:

- TUC RAIL NV, operating in the field of studies and rail infrastructure works.
- Creosoteer Centrum van Brussel NV, which operates in the field of impregnation of railway sleepers;
- SPV Brussels Port NV;
- SPV Zwankendamme NV;
- SPV 162 NV<sup>8</sup>.

On 29 June 2018, Infrabel purchased the shares of the other AlphaCloud NV shareholder. This transaction increased Infrabel's controlling share of AlphaCloud NV from 50% to 100%, thanks to which Infrabel obtained full authority over the subsidiary. On 11 September 2018, Infrabel's Board of Directors decided to merge AlphaCloud with Infrabel through the liquidation without dissolution of AlphaCloud NV. On 27 November, Infrabel's Board of Directors approved the joint proposal of a simplified merger by absorption. The merger took place on 10 January 2019. From a tax and accounting perspective, this merger was effective as from midnight on Monday 31 December 2018. Motivated by the possible synergies between the two companies, both from an operational and a financial standpoint, this merger also meets the request from the Federal Government to rationalise the number of subsidiaries.

<sup>8</sup>The three SPVs are project companies set up by the former Belgian Railways NMBS/SNCB Holding company in the context of the pre-financing of various investment projects by the regions.



#### Infrabel owns various interests in:

- HR Rail NV van publiek recht (a limited company under public law), in accordance with the Royal Decree of 11 December 2013, is the legal employer of the entire workforce;
- CVBA Greensky and CVBA SPS Fin, both founded in relation with alternative energy projects, and
- VZW Liège Carex, a not-for-profit organisation which carries out studies on the building of a tri-modal terminal (air, high-speed train and road) at Liège Airport.

#### Infrabel is a member of three European Economic Interest Groupings (EEIGs):

- the EEIG Rail Freight Corridor North Sea-Mediterranean;
- the EEIG Corridor Rhine-Alpine;
- the EEIG North Sea-Baltic Rail Freight Corridor.

The purpose of these EEIGs is the promotion and development of rail freight traffic.

#### Infrabel also has indirect participating interests in the following companies via its subsidiaries:

- Woodprotect Belgium NV;
- Rail Facilities SA;
- The AISBL Eurocarex.

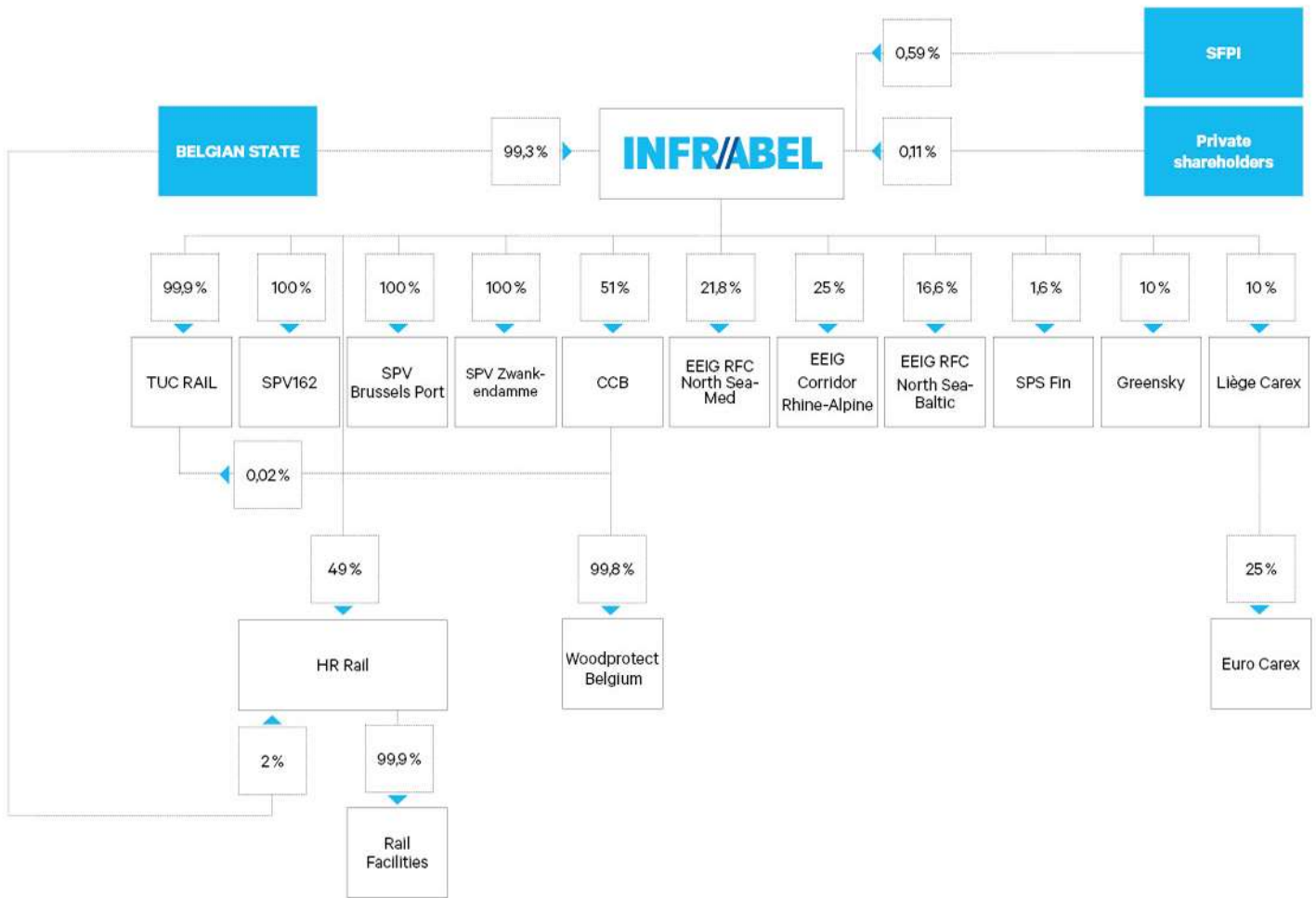
Please find below an overview of Infrabel's participation in terms of its shareholding percentages.

| Company                                     |         | Shareholding percentage |         |
|---|---------|-------------------------|---------|
|   | Direct  | Indirect                | Total   |
| TUC RAIL SA                                 | 99.98%  | 0.02%                   | 100.00% |
| SPV 162 SA                                  | 100.00% |                         | 100.00% |
| SPV Zwankendamme NV                         | 100.00% |                         | 100.00% |
| SPV Brussels Port SA                        | 100.00% |                         | 100.00% |
| CCB SA                                      | 51.00%  |                         | 51.00%  |
| Woodprotect Belgium NV                      |         | 50.94%                  | 50.94%  |
| Corridor Rhine-Alpine GEIE                  | 25.00%  |                         | 25.00%  |
| Rail Freight Corridor North-Sea Med GEIE    | 21.80%  |                         | 21.80%  |
| North Sea-Baltic Rail Freight Corridor GEIE | 16.67%  |                         | 16.67%  |
| HR Rail SA under public law                 | 49.00%  |                         | 49.00%  |
| Rail Facilities SA                          |         | 49.00%                  | 49.00%  |
| SPS Fin CVBA                                | 1.58%   |                         | 1.58%   |
| Greensky CVBA                               | 10.00%  |                         | 10.00%  |
| Liège-Carex ASBL                            | 10.00%  |                         | 10.00%  |
| Eurocarex AISBL                             |         | 2.50%                   | 2.50%   |

Besides these subsidiaries, Infrabel's activities are distributed across various operating sites.







# FINANCIAL DATA







# 1. CHANGES IN THE PRESENTATION OF THE FINANCIAL STATEMENTS AND VALUATION RULES

In 2019, there were no changes in the presentation of the financial statements or the valuation rules.





## 2. INCOME STATEMENT

| INCOME STATEMENT (in € million)  | 2018         | 2019          |
|--|--------------|---------------|
| <b>Operating revenues</b>  | 1,434.74     | 1,433.60      |
| Turnover   | 1,101.02     | 1,088.38      |
| - Infrastructure fee   | 760.26       | 781.17        |
| - State funding  | 107.88       | 101.70        |
| - Other  | 232.88       | 205.51        |
| Variation in finished products, work in progress and contracts in progress | -5.91        | -2.85         |
| Produced fixed assets  | 33.44        | 336.73        |
| Other operating revenues   | 5.19         | 11.34         |
| <b>Operating costs</b>   | 1,408.79     | 1,418.87      |
| Supplies and other consumables   | 219.76       | 213.89        |
| Services and other goods   | 1,186.08     | 1,202.48      |
| - Payroll costs  | 692.20       | 692.94        |
| - Other  | 493.88       | 509.54        |
| Other operating costs  | 2.95         | 2.50          |
| <b>Recurring gross operating income (REBITDA)</b>                          | 25.95        | 14.73         |
| Non-recurring operating income   | -4.24        | 17.69         |
| Depreciation, impairments and provisions                                   | -689.04      | -686.12       |
| Recurring financial income   | 704.52       | 629.12        |
| Non-recurring financial income   | -0.77        | -2.21         |
| <b>EARNINGS BEFORE TAX (EBT)</b>   | <b>36.42</b> | <b>-26.79</b> |







## REBITDA

The 2019 financial year closed with REBITDA of €14.7 million, compared with €25.9 million in 2018, a reduction of €11.2 million.

This change is explained by:

- a reduction in operating income of €1.1 million (-0.1%) and
- an increase in operating costs of €10.1 million (+0.7%).

The €1.1 million reduction in operating income can be explained by:

- a reduction of €6.2 million in State funding,
- a reduction of €27.3 million in the various turnovers, mainly due to the works ordered by SPV 162 for Axis 3 coming to an end, the reduction in the execution of works ordered by SPV Zwankendamme and the drop in invoicing to the SNCB (Ghent-Sint-Pieters station, and Melle and Kinkempois workshops), and
- a reduction in the variation in stocks of work in progress and finished products of €4.9 million,
- partially offset by an increase in the infrastructure fee of €20.9 million,
- an increase of €8.0 million in the variation in contracts in progress,
- an increase in other operating income of €6.1 million, and
- an increase in produced fixed assets of €2.3 million

The increase of €10.1 million in operating costs can be explained by the following elements:

- an increase in other purchases of services and other goods of €15.7 million, mainly due to an increase in maintenance costs for the rail infrastructure and ICT facilities, and
- an increase in payroll charges of €0.7 million,
- partially offset by a reduction in the consumption of supplies and other consumables of €5.9 million, and
- a reduction in other operating costs of €0.4 million.



## EBT

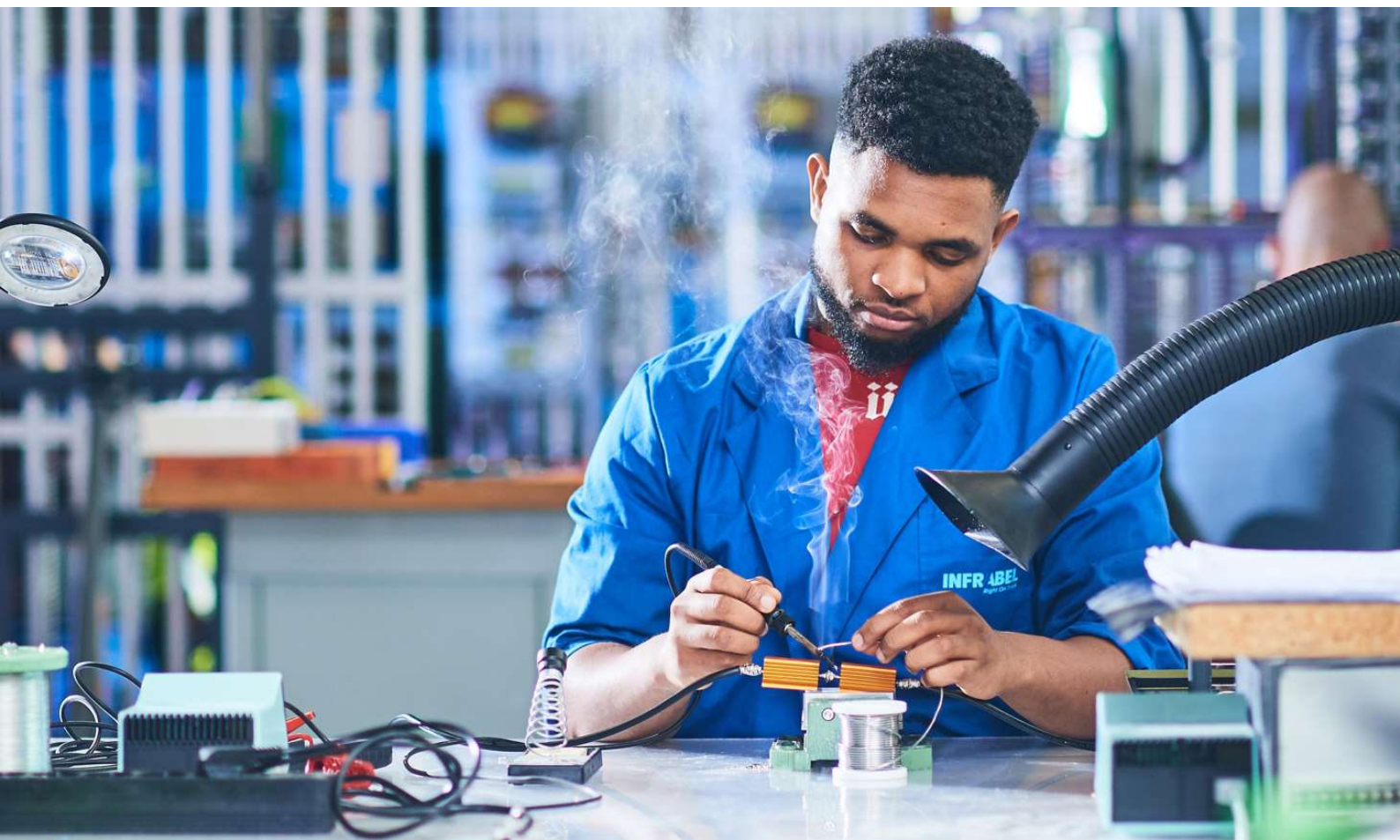
Non-recurring operating income was €17.7 million, compared with -€4.2 million in 2018. This result can be explained primarily by the increase in non-recurring operating revenues following the partial reversal of a provision for a tax dispute linked to the economic recovery plan, as well as by gains achieved on the sale of land in Namur.

Depreciation and costs of impairments and provisions amounted to €686.1 million, which is a decrease of €2.9 million compared with 2018. Depreciation fell by €15.4 million. However, this decrease was largely offset by a corresponding fall in the depreciation on investment grants, and therefore barely impacted the EBT. Impairment charges decreased by €1.5 million following write-backs of impairments on stocks and contracts in progress, partially offset by a decrease of the write-backs of impairments on trade receivables. Costs linked to provisions rose by €13.9 million, mainly due to a sharp fall in long-term interest rates, which led to a significant increase in provisions for pensions and similar obligations.

The recurring financial income is positive, amounting to €629.1 million, which is a decrease of €75.4 million compared with 2018. It includes, on the one hand, recurring financial income of €742.8 million, of which €666.7 million relates to a depreciation on investment grants, €40.3 million to interest grants, €35.4 million to interest received and €0.4 million to other financial income, and, on the other, recurring financial costs of €113.7 million, of which €122.2 million are charges arising from borrowing, -€1.4 million are write-backs of impairments on other receivables and -€7.1 million are other financial costs.

The non-recurring financial income amounted to -€2.2 million.

The 2019 financial year therefore closed with overall earnings before tax (EBT) of -€26.8 million (2018: €36.4 million).







### 3. BALANCE SHEET

| ASSETS (in € million)                           | 2018             | 2019             |
|---|------------------|------------------|
| I. Start-up costs                               | 0.00             | 0,00             |
| <b>Fixed assets</b>                             | <b>19,521.96</b> | <b>19,760.92</b> |
| II. Intangible fixed assets                     | 1,354.10         | 1,354.84         |
| III. Tangible fixed assets                      | 18,112.95        | 18,371.34        |
| IV. Financial fixed assets                      | 54.91            | 34.74            |
| <b>Current assets</b>                           | <b>2,774.52</b>  | <b>2,635.44</b>  |
| V. Accounts receivable after more than one year | 977.15           | 920.59           |
| VI. Stocks and contracts in progress            | 236.85           | 267.92           |
| VII. Accounts receivable within one year        | 343.70           | 364.24           |
| VIII. Cash investments                          | 531.75           | 501.96           |
| IX. Cash  | 154.51           | 112.67           |
| X. Deferred charges and accrued income          | 530.56           | 468.06           |
| <b>TOTAL ASSETS</b>                             | <b>22,296.48</b> | <b>22,396.36</b> |
| LIABILITIES                                     | 2018             | 2019             |
| <b>Shareholders' equity</b>                     | <b>17,298.59</b> | <b>17,544.96</b> |
| I. Capital                                      | 770.08           | 770.08           |
| II. Share premium                               | 299.32           | 299.32           |
| III. Revaluation surpluses                      | 57.76            | 55.65            |
| IV. Reserves                                    | 17.17            | 17.17            |
| V. Profit/loss carried forward                  | -121.40          | -37.06           |
| Profit (loss) to be appropriated                | 47.92            | -26.79           |
| VI. Investment grants                           | 15,923.46        | 16,466.59        |
| <b>Provisions</b>                               | <b>352.80</b>    | <b>345.96</b>    |
| VII. Provisions                                 | 352.80           | 345.96           |
| <b>Debts</b>                                    | <b>4,645.09</b>  | <b>4,505.44</b>  |
| VIII. Accounts payable after more than one year | 2,802.66         | 2,885.69         |
| IX. Accounts payable within one year            | 977.10           | 815.02           |
| X. Accrued charges and deferred income          | 865.33           | 804.73           |
| <b>TOTAL LIABILITIES</b>                        | <b>22,296.48</b> | <b>22,396.36</b> |





Infrabel's balance sheet total on 31/12/2019 was €22,396.4 million, which is an increase of €99.9 million compared with the previous year (0.4%).

The balance sheet structure is characterised by a substantial proportion of fixed assets (€19,760.9 million). These are mainly tangible fixed assets (€18,371.3 million), as well as intangible fixed assets (€1,354.8 million), including the operating right, and financial fixed assets (€34.7 million).

The €259.1 million increase in the tangible and intangible fixed assets is due to investments of €951.9 million made in 2019. This increase was partly offset by depreciation and impairments on the fixed assets and by fixed assets being decommissioned and sold for an amount of €692.8 million.

Within these tangible fixed assets, an amount of €56.8 million was recorded which was paid to TUC RAIL as an advance on investment works and drawn from the investment grants.

The rest of the assets consist of the current assets (€2,635.4 million), made up of €1,284.8 million of receivables, €614.6 million of cash investments and cash, €267.9 million of stocks and contracts in progress and €468.1 million of deferred charges and accrued income.

The €139.1 million fall in current assets is the consequence of a fall in receivables of €36.0 million, in cash investments and cash of €71.6 million and in deferred charges and accrued income of €62.5 million, partly offset by a €31.1 million rise in stocks and contracts in progress.

Liabilities consist, on the one hand, of shareholders' equity (€17,545.0 million), comprising €16,466.6 million of investment grants and €346.0 million of provisions, and, on the other, of debts of €4,505.4 million, of which €2,885.7 million is (gross) long-term debt, €815.0 million is short-term debt, and €804.7 million is accrued charges and deferred income.

Shareholders' equity increased by €246.4 million due to a €273.8 million rise in investment grants, partially offset by the result for the financial year of -€26.8 million and a decrease in revaluation surpluses of €0.7 million.

Provisions were down by €6.8 million, mainly following the reduction in the provisions for legal disputes, the tax dispute and financial instruments, partially offset by an increase in provisions for pensions and similar obligations.

The decrease in debts by €139.7 million is a consequence of the fall of €162.1 million in short-term debt and of €60.6 million in accrued charges and deferred income, partially offset by an €83.0 million increase in long-term debt. The fall in short-term debt is mainly due to the reclassification of €110 million of short-term loans as long-term loans, as an investor exercised its option to extend an existing loan by two years since they fall due in 2021. Short-term debt was also influenced by a €50.8 million decrease in trade creditors. The rise in long-term debt can mainly be explained by the reclassification mentioned above, which was partially offset by a reclassification of long-term debt as short-term debt in relation to a loan falling due in 2020. The decrease in accrued charges and deferred income is primarily due to a lower discounting of the receivable from the State relating to PPP Diabolo, following the substantial drop in long-term interest rates.







## 4. GOING CONCERN

The Board of Directors notes that the balance sheet shows a loss carried forward of €63.9 million, but also observes that:

- This loss carried forward is almost entirely the consequence of the partial de-merger in 2014 of SNCB Holding as part of the restructuring of SNCB Group, where €126.9 million of losses carried forward were taken on. Previously, Infrabel had a positive result carried forward;
- The EBT in recent years has been around the break-even point.
- The loss carried forward of €63.9 million should be put in the context of the total shareholders' equity of €17.5 billion;
- Infrabel has a very close relationship with the Federal Government, its 99.3% shareholder;
- Financial equilibrium is guaranteed by the legislation, specifically by Article 47, §1 of the Railway Code, as appended by the Act of 15 June 2015, which provides that the Federal Government must take appropriate measures if, over a period of a maximum of five years, Infrabel's revenues do not cover the costs of the rail infrastructure.

Taking into account these factors, the Board of Directors concludes that this loss carried forward does not affect the going concern status of the company and that the application of the valuation rules on a going concern basis is consequently justified.





## 5. APPROPRIATION OF EARNINGS

### The earnings to be appropriated amount to:

|   |                 |
|---|-----------------|
| Result from the financial year for appropriation        | -26,790,767.67€ |
| Result carried forward from the previous financial year | -37,061,259.00€ |
| Earnings for appropriation                              | -63,852,026.67€ |

### The Board of Directors proposes the following appropriation of the earnings:

|  |                 |
|--|-----------------|
| Carry forward to the next financial year | -63,852,026.67€ |
|--|-----------------|





## 6. RISKS AND UNCERTAINTIES LINKED TO THE USE OF FINANCIAL INSTRUMENTS

Infrabel applies active risk management to control liquidity, currency, interest rate and credit risks. For this purpose, it has formulated a financial policy, approved by the Board of Directors, in which this risk management is strictly regulated. In 2019, the financial policy was adapted to the rules that apply to entities consolidated with the Belgian government, given that Infrabel has been consolidated with the Belgian government since 19 October 2018.

Forward contracts and derivatives may be used in order to manage the financial risks. Infrabel makes use of interest rate and currency swaps as part of its hedging activities for interest rate and exchange rate risks. Every transaction that involves interest or currency exchange rates must be linked to an underlying commercial transaction.

### LIQUIDITY RISK

When debt is contracted, the expected evolution of future cash flows is taken into account, in order to balance the incoming and outgoing cash flows. Cash investments and loans must be matched as far as possible to neutralise internal risks. In addition, the liquidity risk is covered by a spread over time of the debt's maturities.

### CURRENCY RISK

Every borrowing involving a currency risk must be fully hedged. If a currency risk arises in the context of operating expenditure or investments, the maximum outstanding risk is only allowed to be the equivalent value of EUR 100,000 per currency where it concerns USD, GBP or CHF. For all other foreign currencies combined, the outstanding risk is only allowed to be the equivalent value of EUR 100,000.

### INTEREST RATE RISK

The portion of the total debt financed at variable interest rates is subject to the risk of changing interest rates. The financial policy approved by the management bodies of the company allows a level of financing at variable rates up to 40% of the total long-term debt. The current debt structure is well within the parameters of this policy. If necessary, conversions from variable rate to fixed interest rate positions are carried out by using interest rate swaps. In addition, a substantial proportion of the outstanding debt is covered by Belgian Government commitments towards Infrabel.

### CREDIT RISK

Following Infrabel's consolidation in the State accounts on 19 October 2018, all cash available on demand must be placed in a Federal State account (account 679) with the institution designated by the Federal State (BPost).

Other liquid assets may be invested in financial instruments issued by the Federal State. This minimises counterparty risk.





For derivatives, the credit risk from the counterparties must be spread and covered systematically by a guarantee in cash, i.e. "collateral", governed by Credit Support Annex (CSA) agreements. For agreements of this type, regular calculations are made of the net amount owed, either by Infrabel or by the counterparty, if the total amount of the derivative agreements concluded between the parties were to be cancelled at current market value, and whereby the credit risk is limited to a maximum amount depending on the credit rating of the counterparty.

In principle, Infrabel is also exposed in the normal course of its business to credit risks on trade and financial receivables. The credit risk on trade and other receivables is rather low, since the main debtors are the Belgian Government and the incumbent rail operator.







## 7. AUDITORS' ADDITIONAL ASSIGNMENTS

During the 2019 financial year, one additional assignment was entrusted to the auditors, specifically the writing of a special report intended for the FSMA on compliance with the obligations arising from Regulation 648/2012 of 4 July 2012 ('EMIR Obligation') for an amount of €5,300.



# CORPORATE GOVERNANCE



This section provides information about the company's operating rules in the light of the principles of *Corporate Governance*





# 1. BOARD OF DIRECTORS

## MEMBERSHIP

In 2019, the Board of Directors was composed as follows:

|   |                         |
|---|-------------------------|
| <b>Mr. Herman DE BODE</b>                           | Chairman of the Board   |
| <b>Mr. Luc LALLEMAND</b>                            | Chief Executive Officer |
| <b>Mr. Jan CORNILLIE</b>                            | Director                |
| <b>Mr. Jacques ETIENNE</b>                          |                         |
| <b>Mr. Ruben LECOK</b>                              |                         |
| <b>Ms. Sylvianne PORTUGAELS</b>                     |                         |
| <b>Mr. Pierre PROVOST</b>                           |                         |
| <b>Ms Florence REUTER (<i>until 25/06/2019</i>)</b> |                         |
| <b>Ms Anne BARZIN (<i>as of 25/06/2019</i>)</b>     |                         |
| <b>Ms. Maria VAN DE WIELE<sup>9</sup></b>           |                         |
| <b>Ms. Karin GENOE</b>                              |                         |
| <b>Ms. Ingrid LUYTEN<sup>10</sup></b>               |                         |
| <b>Mr. Laurent VRIJDAGHS</b>                        |                         |
| <b>Mr. Karel STESENS</b>                            |                         |
| <b>Mr. Antoine DE BORMAN</b>                        |                         |

On 20 June 2019, Ms Florence REUTER became a member of the House of Representatives, a position incompatible with the position of director at Infrabel.

The two independent directors who meet the criteria laid down in Article 7:87 §1 of the Companies and Associations Code and, in accordance with Article 207 of the Act of 21 March 1991 (Article 7 L. 03/08/2016), appointed by the General Meeting, are:

|                           |                      |
|---------------------------|----------------------|
| <b>Mr. Pierre PROVOST</b> | Independent Director |
| <b>Ms. Karin GENOE</b>    |                      |

The representatives of the regions on the Board of Directors, appointed pursuant to the Royal Decree of 25 April 2014 on representation of the regions on the Boards of Directors of Infrabel and in the RER Steering Group of NMBS/ SNCB, are:

|                              |                 |
|------------------------------|-----------------|
| <b>Mr. Karel STESENS</b>     | Brussels region |
| <b>Mr. Antoine DE BORMAN</b> | Walloon region  |
| <b>Mr. Herman DE BODE</b>    | Flemish region  |

<sup>9</sup> Ms Maria VAN DE WIELE also calls herself Ms Mieke OFFECIERS

<sup>10</sup> Ms Ingrid LUYTEN also calls herself Ms Ingrid CEUSTERS





## **Main positions held outside Infrabel by the non-executive directors in 2019**

|                                 |   |
|---------------------------------|---|
| <b>Mr. Herman DE BODE</b>       | President of MuHKA (Museum of Contemporary Art Antwerp)   |
| <b>Ms. Maria VAN DE WIELE</b>   | Senior Partner Interelgroup NV, Company Director MDL sprl   |
| <b>Mr. Laurent VRIJDAGHS</b>    | Administrator-General of the Public Buildings Administration  |
| <b>Mr. Jan CORNILLIE</b>        | Secretary of the Group sp.a in the Flemish Parliament   |
| <b>Mr. Jacques ETIENNE</b>      | Retired lawyer  |
| <b>Ms. Sylvianne PORTUGAELS</b> | General Manager of CHR Citadelle hospital (Liège)   |
| <b>Mr. Ruben LECOK</b>          | Director of General Policy and Finance of the Deputy Prime Minister, of Finance and Development Cooperation |
| <b>Mr. Pierre PROVOST</b>       | Project Manager ASBL Brussels Major Events  |
| <b>Ms. Karin GENOE</b>          | Chief Executive Officer of Vias institute   |
| <b>Ms. Ingrid LUYTEN</b>        | CEO S.A. CEUSTERS – Chief Executive Officer INHU SPRL   |
| <b>Ms. Florence REUTER</b>      | Mayor of Waterloo   |
| <b>Ms Anne BARZIN</b>           | Alderwoman for Tourism Development in charge of the Citadel and Festivals (Namur)                           |
| <b>Mr. Karel STESENS</b>        | Retired   |
| <b>Mr. Antoine DE BORMAN</b>    | Manager of CEPESS, Centre for Political, Economic and Social Studies  |

## **APPOINTMENT OF THE DIRECTORS**

Except for the two directors who meet the criteria set in Article 7:87 §1 of the Companies and Associations Code and who were appointed by the General Meeting, His Majesty the King appoints the directors under a decree adopted by the Cabinet.

Directors are selected on the basis of the complementary nature of their skills in the fields of finance and accounting, legal affairs, knowledge of the transport sector, expertise in mobility, human resources policy and industrial relations.

The Board of Directors consists of three representatives of the regional authorities, on the understanding that

1. one member is appointed by His Majesty the King based on the proposal of the Government of the Flemish Region;
2. one member is appointed by His Majesty the King based on the proposal of the Government of the Walloon Region; and
3. one member is appointed by His Majesty the King based on the proposal of the Government of the Brussels-Capital Region.

## **CONTINUITY OF DIRECTORS' MANDATES**

Ten of the fourteen mandates on the Board of Directors expired on 14 and 22 October 2019.

On 6 May 2019, the supervisory minister sent a letter to the Chairperson informing the members of the Board of Directors that they are expected to continue to exercise their mandate to ensure the continuity of the company's administration pending new appointments.







On Tuesday 14 May 2019 a response was sent to the Minister with:

1. Confirmation that the members of the Board of Directors had already been informed at the meeting of the Board of Directors on 17 December 2018 that they were expected to continue their mandates until the new appointments, to avoid jeopardising the continuity of the company's management;
2. A proposed procedure for the appointment of two independent directors, in accordance with best practices and the decisions that emerged from discussions in the Appointments and Remuneration Committee and the Board of Directors on 17 December 2018

On 31 December 2019, the situation was still unchanged.

## OPERATION

In 2019, the Board of Directors met 11 times. The Board's powers are defined in Article 17 of the Act of 21 March 1991:

*'§ 1. The Board of Directors is authorised to carry out all actions necessary or useful to achieve the purpose of the public enterprise.*

*The Board of Directors oversees the management exercised by the Management Board. The Management Board reports regularly to the Board of Directors.*

*The Board, or its Chairman, without prejudice to the powers conferred to him/her by Article 18(5) of the Act of 21 March 1991, can at any time request a report from the Management Board on all or some of the Company's activities. "*

*'§ 2. The Board of Directors can fully or partially delegate to the Management Board the powers referred to in § 1, with the exception of:*

- 1. Approval of the management contract, and any amendment thereto;*
- 2. Adoption of the business plan and definition of general policy;*
- 3. Supervision of the Management Board, especially with regard to performance of the management contract;*
- 4. Any other powers that are hereby reserved for the Board of Directors and, if the public enterprise has the form of a limited company under public law, by the consolidated laws on commercial companies.'*

## DELEGATION OF POWERS

The latest version of the 'Rules on the (sub)delegation of powers and authorised signatures' was approved by the Board of Directors on 16 April 2018 and published in the Appendices to the Belgian Official Journal of 17 May 2018.

## DECISIONS TAKEN IN WRITING

*In extraordinary circumstances, when justified by the urgency of the matter and the interests of the company, resolutions of the Board of Directors may be adopted by the Directors' unanimous consent in writing, by their signatures affixed either to a single document or to multiple copies of the same document. The first paragraph does not apply to approval of the annual financial statements, to the use of the authorised capital nor to approval of the management contract between the Government and the company, or any amendment to that contract. (Article 28 of the Articles of Association) - The Board did not use this procedure during 2019.*





### **FINANCIAL CONFLICT OF INTEREST**

In 2019, the procedure as prescribed by Article 7:96 of the of the Companies and Associations Code: if a Director has a direct or indirect financial conflict of interest regarding a decision or operation relating to the powers of the Board of Directors, was not applied.

### **DIRECTORS' CHARTER**

The 'Directors' Charter' is part of the rules of procedure of the Board of Directors.

It is applicable to all members of the Infrabel Board of Directors as well as any Director appointed by Infrabel in a company.

Under the terms of this Charter, in the exercise of their duties, Directors undertake to:

1. Act independently under all circumstances;
2. Actively protect the interests of the company;
3. Ensure the efficient operation of the Board of Directors;
4. Protect the interests of all shareholders;
5. Take into account the legitimate expectations of all of the company's partners (the community, customers, executives, employees, suppliers and creditors);
6. Ensure that the company respects its obligations and commitments, the law, regulations and codes of ethics;
7. Avoid any conflict between their direct or indirect personal interests and those of the company;
8. Avoid any improper use of information or insider trading;
9. Continually develop his or her professional competencies;
10. Adhere to the spirit of the Charter.

### **BOARD COMMITTEES**

In accordance with Articles 210 and 211 of the Act of 21 March 1991, the Board has established two committees, the Audit Committee and the Appointments and Remuneration Committee to assist and advise the Board in the fulfilment of its duties.







## 2. AUDIT COMMITTEE

This Committee was created pursuant to Article 210 of the Act of 21 March 1991.

### MEMBERSHIP

The Committee is composed as follows:

|                               |          |
|-------------------------------|----------|
| <b>Mr. Laurent VRIJDAGHS</b>  | Chairman |
| <b>Ms. Maria VAN DE WIELE</b> | Members  |
| <b>Mr. Ruben LECOK</b>        |          |
| <b>Mr. Pierre PROVOST</b>     |          |

The Audit Committee may invite the Chief Executive Officer to attend its meetings in an advisory capacity. Government Commissioners also attend Audit Committee meetings in an advisory capacity.

The Audit Committee may likewise invite any competent person to assist it in performing the tasks assigned to it by the Board of Directors.

### OPERATION

The Audit Committee met 5 times in 2019.

### POWERS

The Audit Committee carries out the tasks entrusted to it by the Board of Directors. Moreover, its mission is to assist the Board of Directors by scrutinising financial information, specifically the annual accounts, the management report and interim reports. The Committee also ensures the reliability and integrity of financial reports for risk management.

At least a fortnight prior to the meeting at which the Board of Directors approves the annual financial statements, the Board submits the financial statements to the Audit Committee for examination.

The Audit Committee assists the Board of Directors, specifically by carrying out the following activities:

- Examining financial information, inter alia the annual financial statements, and advising the Board of Directors on its findings;
- In cooperation with the Board of Auditors and the Head of Internal Audit I-IA, assessing, supervising and issuing an opinion on the internal control system applied by Infrabel and the related recommendations and findings formulated by the Board of Auditors, as well as any replies contributed by the management;
- Examining and approving the audit program drawn up by the Head of Internal Audit I-IA;
- Examining the conclusions and main recommendations laid down in the audit reports; overseeing the follow-up of those recommendations as well as implementation by management of the action agreed with Internal Audit I-IA in response to the audit recommendations and the action taken by management in response to these recommendations;







- Appraising the procedures for identifying, assessing and managing financial, operational and other risks to which Infrabel is exposed, ensuring the reliability and integrity of financial reports regarding risk management;
- Overseeing coordination of Internal Audit's activities, any work that management has assigned to external consultants and the Board of Auditors' work;
- Approving the structure of Infrabel's Internal Audit as well as the budget for staff, staff training and equipment resources;
- Submitting to the Board of Directors a reasoned opinion on the appointment and replacement of the Head of Internal Audit at Infrabel after consulting the Appointments and Remuneration Committee; overseeing the independence and objectivity of internal and external auditors;
- Approving Infrabel's Internal Audit Charter and any subsequent revisions thereof;
- Submitting to the Board of Directors a reasoned opinion on the appointment or reappointment of Infrabel's auditors, as well as on their fees;
- Verifying and drawing up any specific matter that the Board of Directors may deem necessary.

## **INDEPENDENCE AND ACCOUNTING AND AUDITING COMPETENCE**

In accordance with Article 3:6 § 1(9) of the Companies and Associations Code, the annual report must demonstrate the independence and accounting and auditing competence of at least one member of the Audit Committee.

Ms Maria VAN DE WIELE, as a former Budget Minister, has acquired the necessary competence in the area of accounting. She served as CEO of the Flanders Chambers of Commerce and Industry (VOKA (VEV)) and of various companies for a long time.

For many years she has also chaired another company's audit committee, where she has acquired the necessary expertise in relation to auditing.

All the members of the Audit Committee satisfy the criteria that must be met to be regarded as independent directors.





### 3. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee was established pursuant to Article 211 of the Act of 21 March 1991.

#### MEMBERSHIP

The Committee is composed as follows:

Mr. Herman DE BODE  
Mr. Luc LALLEMAND  
Mr. Jan CORNILLIE  
Mr. Jacques ETIENNE

Chairman  
Members

#### OPERATION

The Committee met three times in 2019.

#### POWERS

The Committee gives its opinion on candidates put forward by the Chief Executive Officer for appointment as members of the Management Board.

It submits proposals to the Board of Directors regarding remuneration and benefits provided to members of the Management Board and senior executives. These matters are constantly monitored by the Board of Directors (Article 211 §2 of the Act of 21 March 1991).

Furthermore, it performs the tasks entrusted to it by the Board of Directors.





## 4. MANAGEMENT BOARD

### MEMBERSHIP

The Management Board is composed as follows:

|                                   |  |
|-----------------------------------|--|
| <b>Mr. Luc LALLEMAND</b>          | Chief Executive Officer                            |
| <b>Mr. Luc VANSTEENKISTE</b>      | Director-General Asset Management                  |
| <b>Ms. Ann BILLIAU</b>            | Director General Traffic Management & Services     |
| <b>Ms. Christine VANDERVEEREN</b> | Director-General Finance & Business Administration |

Following the decision of the Board of Directors of 22 October 2019 on the new organisation of Infrabel and the retirement of Mr Luc VANSTEENKISTE on 1 January 2020, the Board of Directors decided on 16 December 2019 to appoint as members of the Management Board, Mr Jochen BULTINCK as Chief Operation Officer and Ms Ann BILLIAU as Chief Client Officer, as from 1 January 2020.

### RULES GOVERNING THEIR APPOINTMENT AND DISMISSAL

'The Directors-General are appointed by the Board of Directors, following the recommendation of the Chief Executive Officer and after consultation with the Appointments and Remuneration Committee.

They are dismissed by the Board of Directors (Article 208 of the Act of 21 March 1991).

### OPERATION

The Management Board met 33 times in the course of 2019. There were no written procedures.

### POWERS

In accordance with Article 208 of the Act of 21 March 1991, *'the Management Board is responsible for day-to-day management of the company and for representing that management, and also for executing the decisions of the Board of Directors.*

*The members of the Management Board act collectively. They may allocate tasks among themselves.'*

### REPRESENTATION

In accordance with Article 208 of the Act of 21 March 1991, the Company is duly represented in its actions, including any legal proceedings, by the Chief Executive Officer and the Director-General appointed for that purpose by the Board of Directors, acting jointly.

Any acts of management or acts which are binding upon the Company are jointly signed by the Chief Executive Officer and the Director-General appointed for that purpose by the Board of Directors.

This Director must have a different linguistic background from the Chief Executive Officer.

By Royal Decree deliberated upon in the Council of Ministers, His Majesty the King may determine any acts that require different approval than that set out in this article.

The Board of Directors' meetings of 8 November 2004, of 28 October 2010 and of 25 March 2014 appointed Mr. Luc VANSTEENKISTE as Director-General holding the power of joint signature.





Following the temporary unavailability of Mr Luc VANSTEENKISTE and the appointment by the Board on 23 October 2018, Ms Christine VANDERVEEREN, as Director General, temporarily represented the company, as holder of the second signature, jointly with the Chief Executive Officer, until 9 September 2019.

On 16 December 2019, the Board of Directors appointed, as from 1 January 2020, Mr Jochen BULTINCK as the member of the Management Board who, in accordance with Article 208 § 4 of the Law of 21 March 1991 relating to the reform of certain public economic companies, represents Infrabel, together with the Managing Director, with regards to third parties and in court, and who, in this capacity, co-signs all management acts or acts that bind the company.

## DECISION-MAKING PROCEDURE

The decisions of the Management Board are prepared by the Executive Committee. This is an informal meeting attended by other Infrabel directors, as well as members of the Management Board.





## 5. SUPERVISION

### GOVERNMENT COMMISSIONERS

Government Commissioners are invited to all meetings of the Board of Directors and of the Management Board and attend in an advisory capacity (Article 213 § 3 of the Act of 21 March 1991).

The Government Commissioners also attend, in an advisory capacity, the meetings of the Audit Committee (Article 210 § 1 of the Act of 21 March 1991).

They ensure compliance with the law, the Articles of Association and the management contract. They ensure that Infrabel's policy, particularly the policy implementing Article 13 of the Act of 21 March 1991, does not jeopardise the implementation of its public service missions.

Each Government Commissioner reports to the Minister to whom they are responsible. The Government Commissioners report to the Budget Minister on all decisions of the Board of Directors and the Management Board that have an impact on the Government's general expenditure budget.

Each Government Commissioner may, within a period of four working days, exercise a right of recourse to the minister to whom they are responsible in order to object to any decision of the Board of Directors or the Management Board that they consider to be in breach of the law or the company's Articles of Association or the management contract, or of a nature likely to jeopardise the implementation of Infrabel's public service missions. Each Government Commissioner may, within the same period, exercise the same recourse against any decision to increase the fees payable for use of the railway infrastructure. All such decisions are suspended while the recourse procedure is under way.

The Government Commissioners at Infrabel were:

|                              |  |
|------------------------------|--|
| <b>Mr. Maxime SEMPO</b>      | appointed by the Royal Decree on 26 February 2015; |
| <b>Mr. Martin DE BRABANT</b> | appointed by the Royal Decree on 19 November 2017; |

### REMUNERATION

The Act of 21 March 1991 (Article 213 § 1) provides that His Majesty the King determines the remuneration of Government Commissioners. Infrabel is responsible for this remuneration. It was set by Royal Decree of 4 July 2008.

For the 2019 financial year, the following remuneration was paid:

- The index-linked fixed component from January to December (= X 1.7069) amounts to €3,840.48 gross/year, which is €320.04 gross/month;
- The index-linked variable component amounts to €7,681.05 gross/year, paid pro rata for attendance at meetings of the Board of Directors.

|   | Fixed      | Variable                      | TOTAL      |
|---|------------|-------------------------------|------------|
| <b>Mr. Maxime SEMPO</b><br>Government Commissioner      | € 3,840.48 | €6,982.80<br>(10 meetings/11) | €10,823.28 |
| <b>Mr. Martin DE BRABANT</b><br>Government Commissioner | € 3,840.48 | €7,681.05<br>(11 meetings/11) | €11,521.53 |



## BOARD OF AUDITORS

Article 25 §1 of the Act of 21 March 1991 specifies: 'The audit of the financial situation, of the annual financial statements and of the regularity, from the viewpoint of the law and the Articles of Association of the activities to be recorded in the annual financial statements, shall in each autonomous public company be delegated to a Board of Auditors numbering four members. The members of the Board of Auditors bear the title of Auditor.'

This Board shall be made up of four members, two of whom are appointed by the Court of Auditors from its own members, and the other two by the General Meeting from members of the Institute of Company Auditors.

On a proposal from the Strategic Enterprise Committee and the Board of Directors, the General Meeting of 17 May 2017 appointed KPMG & BDO as auditors for the financial years 2017 to 2019.

Their mandate is part of the legal task of external audit of Infrabel's statutory and consolidated financial statements.

The General Meeting of 17 May 2017 was informed of the decision of the General Meeting of the Court of Auditors of 5 October 2016 to renew the mandates of Mr. Michel de FAYS and Mr. Rudi MOENS, advisers to the Court of Auditors, as members of Infrabel's Board of Auditors for a period of three years.

The members of the Board of Auditors are:

|  |  |
|--|--|
| <b>KPMG</b>                                  | Represented by Mr. Patrick DE SCHUTTER |
| <b>BDO</b>                                   | Represented by Mr. Félix FANK          |
| <b>Mr. Michel DE FAYS and Mr. Rudi MOENS</b> | Advisers at the Court of Auditors      |





## 6. OFFICES HELD IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Companies in which members of management bodies or employees of Infrabel have served as corporate officers (direct or indirect holdings)

As on 31 December 2018, Infrabel had 16 subsidiaries and associated companies. Infrabel employees and members of its management bodies held office in 15 of these subsidiaries.

### MEMBERS OF MANAGEMENT BODIES OR EMPLOYEES OF INFRABEL SERVING AS CORPORATE

|                                   |   |
|-----------------------------------|---|
| <b>Mr. Luc LALLEMAND</b>          | Chairman of TUC RAIL, Director of EEIG Rail Freight Corridor North Sea-Mediterranean, Director of HR Rail   |
| <b>Mr. Luc VANSTEENKISTE</b>      | Director TUC RAIL, Chairman CCB, Woodprotect Belgium  |
| <b>Ms. Ann BILLIAU</b>            | Director TUC RAIL, Deputy Chairwoman RailNet Europe   |
| <b>Mr. Michaël DIERICKX</b>       | Chairman GEIE Rail Freight Corridor North Sea-Mediterranean   |
| <b>Mr. Jochen BULTINCK</b>        | Chief Executive Officer TUC RAIL  |
| <b>Ms. Christine VANDERVEEREN</b> | Director TUC RAIL, Chairwoman SPV 162, Chairwoman SPV Zwankendamme, Chairwoman SPV Brussels Port, Director Rail Facilities, Director SPS Fin, Director Greensky   |
| <b>Mr. Eric MERCIER</b>           | Director TUC RAIL,  |
| <b>Ms. Cecilia MAES</b>           | Director SPV Zwankendamme, Director SPV 162, Director SPV Brussels Port, Director CCB and Director Woodprotect Belgium  |
| <b>Mr. Koen DE WITTE</b>          | Director SPV Zwankendamme, Director SPV 162, Director SPV Brussels Port   |
| <b>Mr. Paul GODART</b>            | Director Woodprotect Belgium (until 28/03/2018), Director CCB (until 23/03/2018);   |
| <b>Mr. Michel GEUBELLE</b>        | Member of the Management Board of GEIE Corridor Rhine-Alpine, Member of the Management Board of GEIE Rail Freight Corridor North Sea- Mediterranean, Member of the Management Board of GEIE Rail Freight Corridor North Sea-Baltic, Infrabel Representative at the General Assembly of RailNet Europe |
| <b>Mr. Frédéric NYSENS</b>        | Director Liège Carex (until 30 September 2019)  |
| <b>Mr. Benoît GILSON</b>          | Director Liège Carex (as of 1 October 2019)   |
| <b>Mr. Jan MYS</b>                | Director CCB, Director Woodprotect Belgium  |
| <b>Mr. Marc WAEYENBERGH</b>       | Director CCB, Director Woodprotect Belgium.   |

## GOVERNANCE CHARTER FOR SUBSIDIARIES

The Governance Charter for subsidiaries is intended for Infrabel's representatives in its subsidiaries. It ensures the right of Infrabel shareholders to information about its subsidiaries, sub-subsidiaries and shareholdings.

### THE KEY POINTS OF THE CHARTER ARE:

INFRABEL HAS A RIGHT TO AUDIT THE RUNNING OF ITS SUBSIDIARIES, SUB-SUBSIDIARIES AND SHAREHOLDINGS BUT IT MAY NOT INTERFERE IN THEIR INTERNAL ORGANISATION OR MANAGEMENT OF THEIR AFFAIRS; THEIR INDEPENDENCE MUST BE RESPECTED AT ALL TIMES;

INFRABEL'S RIGHT OF INSPECTION REFERRED TO IN THE PREVIOUS PARAGRAPH DOES NOT GO BEYOND THE EXPLICIT TERMS OF THE COMPANIES CODE, LEGAL DOCTRINE OR CASE LAW;

GUIDELINES CONCERNING THE STATUS OF INFRABEL'S REPRESENTATIVES WHEN HOLDING OFFICE IN A SUBSIDIARY, SUB-SUBSIDIARY OR COMPANY IN WHICH INFRABEL HOLDS SHARES, HOW THEY ARE CHOSEN WITHIN INFRABEL, WHAT IDEAS THEY ARE ASKED TO CONVEY TO THE MANAGEMENT BODIES IN WHICH THEY REPRESENT INFRABEL OR EVEN HOW INFORMATION IS COMMUNICATED BETWEEN INFRABEL, ITS SUBSIDIARIES, SUB-SUBSIDIARIES OR SHAREHOLDINGS;

IF COMMITTEES HAVE BEEN SET UP IN INFRABEL'S SUBSIDIARIES, SUB-SUBSIDIARIES OR COMPANIES IN WHICH IT HOLDS AN INTEREST, THE INFORMATION WILL BE REPORTED TO INFRABEL BY THEIR INTERMEDIARY.

INFRABEL'S REPRESENTATIVES AGREE TO COMPLY WITH THE CHARTER BY COMPLETING AND SIGNING A DECLARATION TO THIS EFFECT. THE ORIGINAL IS SENT TO THE LEGAL AFFAIRS DEPARTMENT.

Infrabel's Legal Affairs Department is the 'custodian' of the Charter in order to ensure its coherent application, uphold its principles and ensure its consistent interpretation and observance.

## REMUNERATION

All the above-mentioned mandates are unremunerated mandates for the above-mentioned natural persons.





# REMUNERATION REPORT





Remuneration policy for Directors, members of the Management Board, other members of management and the persons charged with the day-to-day running of the company, and in order to determine the individual remuneration of Directors, members of the Management Board, other members of management and persons charged with the day-to-day running of the company.

#### **BOARD OF DIRECTORS**

The procedure followed is in keeping with that set out in Article 22 of the Articles of Association:

*'The General Shareholders' Meeting determines the remuneration of the members of the Board of Directors based on the proposal of the Appointments and Remuneration Committee. '*

#### **MANAGEMENT BOARD**

THE PROCEDURE FOLLOWED IS IN KEEPING WITH ARTICLE 211, §2, 2 OF THE ACT OF 21 MARCH 1991 ON THE REFORM OF CERTAIN ECONOMIC PUBLIC ENTERPRISES:

*'The Board of Directors, based on the proposal submitted by the Nominations and Remuneration Committee, determines the remuneration and the benefits granted to the members of the Management Board and senior executives. The Board continuously monitors these matters.'*

### **REMUNERATION POLICY AS APPLIED DURING THE FINANCIAL YEAR REVIEWED IN THE ANNUAL REPORT.**

#### **BOARD OF DIRECTORS**

The remuneration paid to the Chairman is composed of a fixed annual component of €27,200 and a variable component consisting of attendance fees.

These attendance fees amount to:

- €500 per Board meeting;
- €400 per Committee meeting attended.

In addition, the Chairman receives an annual fee of €2,400 covering operating expenses and enjoys free rail travel in Belgium.

The remuneration paid to other Directors (with the exception of the Chief Executive Officer) is composed of a fixed annual component of €13,600 and a variable component consisting of attendance fees.

These attendance fees amount to:

- €500 per Board meeting;
- €400 per meeting of the other Committees.

In addition, the Chairman receives an annual fee of €1,200 covering operating expenses.

Attendance at meetings is required to qualify for attendance fees.

#### **MANAGEMENT BOARD**

As compensation for holding office, the Directors-General receive a set remuneration and a monthly remuneration, a holiday allowance, an annual bonus and a variable management bonus.







Remuneration is consistent with the agreements made with the supervisory body in 2014, namely €180,000 of fixed remuneration and a maximum €50,000 of variable remuneration per year. These amounts are index-linked.

No decision has been taken to change the remuneration policy for the next two accounting periods.

### **CHIEF EXECUTIVE OFFICER**

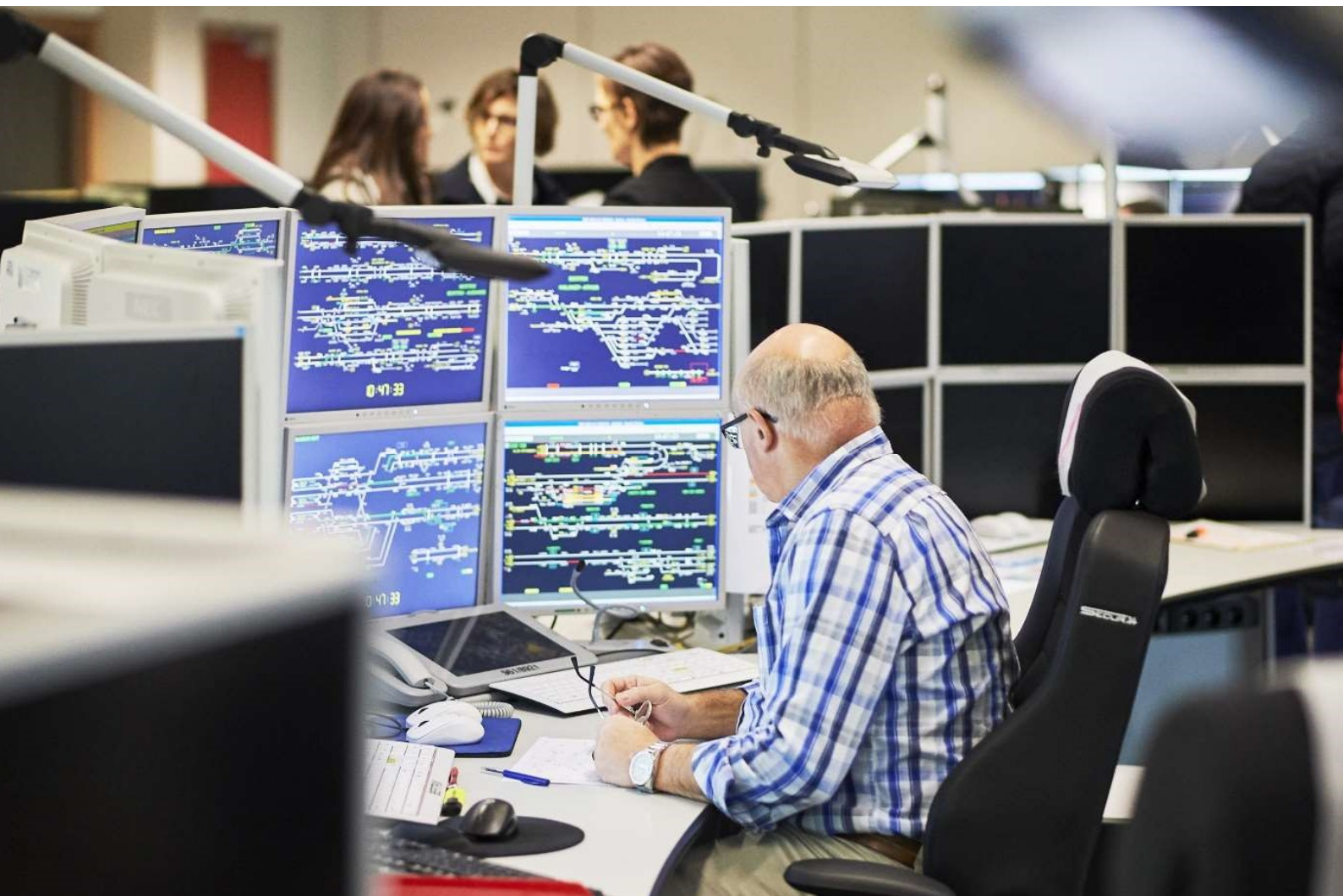
In return for carrying out his duties, the Chief Executive Officer receives the following remuneration:

- a fixed gross component of €230,000 per year, payable in twelve monthly payments of €19,166.67;
- a variable component up to a maximum of €60,000 gross per year, the amount of which is set by the Infrabel Board of Directors dependent on achieving the targets it has defined.

These amounts are index-linked once a year.

Infrabel will pay any expenses incurred by the Chief Executive Officer in the exercise of his duties.

The specific agreement setting out the reciprocal rights and responsibilities between Infrabel and Mr. Luc LALLEMAND as Chief Executive Officer ended on 13 November 2019 ... (to be supplemented in line with developments). In view of the fact that, at that time, no government had yet been formed and it was in caretaker mode, the government considered itself unable to renew the mandate in question. This agreement was therefore tacitly renewed - on the basis of the provisions of the Special Agreement. On 31 December 2019, the situation was still unchanged.



## RECOVERY PROVISIONS

The contract does not contain any provisions about the right of recovery of variable remuneration from members of the Management Board in favour of the company in the event that said remuneration was granted based on incorrect financial data.

As the KPIs for determining financial remuneration do not depend on financial information in the main, it is not considered necessary to adopt such a provision.

**Remuneration of Directors and other benefits of non-executive Directors and executive managers in their capacity as members of the Board of Directors for the financial year reviewed in the Annual Report.**

| Name                                | Rate of Attendance at meetings of Infrabel's Board of Directors and Committees |                            |  | (Gross) Remuneration of directors |
|-------------------------------------|--|----------------------------|--|-----------------------------------|
|                                     | Board (total: 11)  | Audit Committee (total: 5) | Appointments and Remuneration Committee (total: 3) | Board and other Committees (€)    |
| <b>Herman DE BODE</b>               | 5  |                            | 1  | 30,100.04                         |
| <b>Maria VAN DE WIELE</b>           | 11   | 5                          |  | 21,099.96                         |
| <b>Laurent VRIJDAGHS</b>            | 10   | 5                          |  | 20,599.96                         |
| <b>Jan CORNILLIE</b>                | 11   |                            | 3  | 20,299.96                         |
| <b>Jacques ETIENNE<sup>11</sup></b> | 10   |                            | 3  | 23,199.98                         |
| <b>Sylvianne PORTUGAELS</b>         | 11   |                            |  | 19,099.96                         |
| <b>Ruben LECOK</b>                  | 10   | 4                          |  | 20,199.96                         |
| <b>Pierre PROVOST</b>               | 11   | 5                          |  | 21,099.96                         |
| <b>Karin GENOE</b>                  | 10   |                            |  | 18,599.96                         |
| <b>Florence REUTER</b>              | 5/5  |                            |  | 9,073.31                          |
| <b>Ingrid LUYTEN</b>                | 5/6  |                            |  | 9,526.64                          |
| <b>Karel STESENS</b>                | 8  |                            |  | 17,599.96                         |
| <b>Antoine DE BORMAN</b>            | 11   |                            |  | 19,099.96                         |

Annual remuneration and attendance fees are only paid to non-executive directors. The Chief Executive Officer does not receive any remuneration for his role as member of the Board of Directors.

### ASSESSMENT CRITERIA FOR PERFORMANCE-BASED REMUNERATION OF EXECUTIVE MANAGERS.

Based on a proposal by the Appointments and Remuneration Committee, the Board of Directors meeting on 28 November 2017 approved the performance management principles for the CEO, the Directors General and senior executives. Only targets and a common evaluation system have been retained, so that the variable remuneration of all members of the management is established in the same way 'as a single team'.

The targets are set every year for the following year. The variable remuneration for the CEO and Directors General are calculated using the scores entered.

<sup>11</sup> Following the temporary unavailability of Mr. Herman DE BODE, Chairman of the Board of Directors, Mr. Jacques Etienne received compensation as Acting Chairman until 31 March 2019.





For the other members of the management, Heads of, Managers and high-level experts, the I-perform evaluation system is aligned with the method used for the members of the Management Board and also enters elements specific to the result area of each member of the management.

The evaluation will be performed objectively based on ten business indicators distributed between four strategic pillars, focussing as much as possible on the areas of Infrabel's results in which the management has had a real impact. The weighting was adjusted in 2019 with a heavier weighting for the first and second pillar, so as to grant greater importance to safety and punctuality.

The table below provides an overview of these 10 indicators with their weighting.

|  | Strategic pillar                       | ID | Result indicator   | Weighting  |
|--|--|----|--|------------|
|  | SAFETY FIRST                           | 1  | Tracks operated safely for the passengers and staff (ERA Fatality Risk)  | 15         |
|  |  | 2  | Equip the rail network with ETCS (km)  | 15         |
|  |  | 3  | A safe network with a minimum number of accident precursors overseen by Infrabel (ERA Precursors to Accidents)     | 10         |
|  | SUB-TOTAL                              |    |  | 40         |
|  | TRAINS ON TIME                         | 4  | Total number of minutes delay in connections overseen by Infrabel (national and international passenger transport) | 15         |
|  |  | 5  | Total number of minutes delay in connections overseen by Infrabel (national and international freight transport)   | 10         |
|  |  | 6  | Total number of fully cancelled passenger trains overseen by Infrabel  | 5          |
|  | SUB-TOTAL                              |    |  | 30         |
|  | A NETWORK FOR ALL OF TOMORROW'S TRAINS | 7  | Performance of strategic extension projects (% milestones achieved according to the planning)                      | 15         |
|  |  | 8  | Performance of other extension projects (% milestones achieved according to the planning)                          | 5          |
|  | SUB-TOTAL                              |    |  | 20         |
|  | HEALTHY FINANCES                       | 9  | Compliance with the annual operating costs budget  | 5          |
|  |  | 10 | Compliance with the annual investment budget (excluding SPV and PSPI)  | 5          |
|  | SUB-TOTAL                              |    |  | 10         |
|  |  |    | <b>TOTAL</b>   | <b>100</b> |



### Long-term cash bonus paid to the CEO for the financial year covered by the Annual Report

|  |   |
|--|---|
| <b>Name</b>  | Luc LALLEMAND   |
| <b>Status</b>  | The provisions of Article 209 of the Act of 21 March 1991 concerning the members of the Management Board (Section 6) also apply to the CEO.   |
| <b>Fixed remuneration</b>  | €249,703.33 gross remuneration as a self-employed person (for the period from 1 January 2019 to 31 December 2019)   |
| <b>Variable remuneration</b>                                       | € 65,140 (for the period from 1 January 2019 to 31 December 2019 and to be paid in 2020)  |
| <b>TOTAL</b>   | € 314,843.33 gross remuneration (for the period from 1 January 2019 to 31 December 2019)  |
| <b>Pension</b>   | No supplementary pension. No group insurance is provided either.  |
|  | <p>In the event of retirement or death during or after service, the salary which serves as the basis for calculating the retirement pension (or survivor's pension) of the person who holds or has held the position of CEO, will be determined as follows: in the month prior to retirement or the month of death in service, a salary will be allocated that takes account of the length of service, both in more junior positions and as CEO; and that consequently comprises the sum of two separate amounts:</p> <p>a. an amount equal to the final annual salary level earned in the more junior position by the person in question at the moment of his/her retirement (or death in service), multiplied by a fraction whose denominator represents the total number of years' service and whose numerator represents the same number of years, not taking account of the services rendered as CEO;</p> <p>b. an amount equal to the final annual salary earned by the person in question in their position as CEO, multiplied by a fraction whose denominator represents the total number of years' service and whose numerator represents the number of years served as CEO.</p> |
| <b>Other benefits</b>  | Company car for €2,768.19   |
| <b>Long-term cash bonus paid to the CEO for the financial year</b> | None  |





On an overall basis, the long-term cash payments relating to the financial year reviewed in the Annual Report, made to other executive management members (excluding the CEO).

#### All members of the Management Board with the exception of the CEO

|                              |  |
|------------------------------|--|
| <b>Status</b>                | <p>The members of the Management Board may be employed under a contract or statutory appointments.</p> <p>Pursuant to Article 209 of the Act of 21 March 1991, the rights, including compensation, and responsibilities of the CEO and other members of the Management Board on the one hand, and Infrabel on the other, are governed by a specific agreement between the parties.</p> <p>For the statutory appointees, for the duration of his/her mandate, this specific agreement envisages that the Director-General is entitled to unpaid leave, maintaining his/her rights to promotion, advancement and a pension.</p> <p>In accordance with the HR rules defined by HR Rail, the members retain their grade and are assigned the position of Director-General.</p> <p>For contractual members, this specific agreement provides, for the duration of his/her term of office, for the suspension of the open-ended employment contract that was in force before the appointment as a member of the Management Board.</p> <p>On expiry of the term of office, the employment contract immediately comes back into force.</p>   |
| <b>Fixed remuneration</b>    | €590,180.05 gross basic remuneration (including holiday pay)   |
| <b>Remuneration Variable</b> | €148,139.89 for the period from 1 January 2018 to 31 December 2018 and to be paid in 2019)   |
| <b>TOTAL</b>                 | € 738,319.94   |
| <b>Pension</b>               | <p>For statutory members:</p> <p>No supplementary pension.</p> <p>No group insurance is provided either.</p> <p>In the event of retirement or death during or after service, the salary which serves as the basis for calculating the retirement pension (or survivor's pension) of the person who holds or has held the position of Director-General, will be determined as follows: in the month prior to retirement or the month of death in service, a salary will be allocated that takes account of the length of service, both in more junior positions and as Director-General; and that consequently comprises the sum of two separate amounts:</p> <ol style="list-style-type: none"> <li>an amount equal to the final annual salary level earned in the more junior position by the person in question at the moment of his/her retirement (or death in service), multiplied by a fraction whose denominator represents the total number of years' service and whose numerator represents the same number of years, not taking account of the services rendered as Director-General;</li> <li>an amount equal to the final annual salary level earned in the more junior position by the person in question at the moment of his/her retirement (or death in service), multiplied by a fraction whose denominator represents the total number of years' service and whose numerator represents the same number of years, not taking account of the services rendered as Director-General;</li> </ol> <p><u>For the contractual members:</u> The specific agreement provides for a group insurance that applies as standard in the insurance rules that apply to contractually-employed senior executives of SNCB.</p> |
| <b>Other benefits</b>        | Company car as a benefit in kind worth € 10,102.15   |
| <b>Long-term cash bonus</b>  | None   |





On an individual basis:

Number and key characteristics of shares, stock options or any other rights to acquire shares granted to the various executive managers (including the CEO), that were exercised or that expired during the financial year.

Nihil.

On an individual basis:

Key provisions of the contractual relationship concerning severance payment, agreed with the CEO and each of the other executive managers.

|   |
|---|
| REASONING AND DECISION OF THE BOARD OF DIRECTORS WITH RESPECT TO SEVERANCE PAY. |
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*The specific agreement setting out the reciprocal rights and responsibilities between Infrabel and Mr. Luc LALLEMAND as Chief Executive Officer contains the following provisions in relation to severance pay:*

*The agreement ends automatically, without notice or compensation, on 12 November 2019.*

*The Chief Executive Officer may terminate the agreement with Infrabel at any time by giving three months' notice.*

*Provided that His Majesty the King has ended the term of office of the Chief Executive Officer before the expiry of the agreement, Infrabel may terminate it by paying a severance settlement equivalent to twelve months of the fixed salary.*

*Infrabel will immediately terminate this Agreement, without notice or compensation, if the term of office of the Chief Executive Officer is terminated by His Majesty the King due to a serious breach.*

*The new specific agreement setting out the reciprocal rights and responsibilities between Infrabel, HR Rail and the Director-General, approved by the Board on 25 March 2014, envisages the following in relation to severance pay:*

*In the event of resignation during the mandate of Director-General or should this mandate not be renewed, he/she will be re-employed at the rank of executive; from then on, he/she will be paid according to the salary conditions linked to this rank.*

*In the event of termination of the term of office before its normal expiry date as a result of dismissal by the Board of Directors, and unless deemed unfounded by the Board of Directors in view of the disciplinary rules and jurisprudence applied by HR Rail, the person concerned will retain the financial conditions associated with the position of Director-General for twelve months from the date of terminating the office and thereupon will be downgraded to executive, and receive the corresponding remuneration.*

Signed in Brussels, 20 May 2020,

Chairman of the Board of Directors

The Acting Chief Executive Officer







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