

---

## TRACTEBEL NORTH AMERICA INCENTIVE PLAN

**Tractebel** Electricity & Gas  
International

THE POWER OF ONE. INFINITE POSSIBILITIES.

SEZ



*As Tractebel North America employees, our individual performance is key to developing strong work teams and productive business units.*

*By focusing on short term goals, we can build momentum toward accomplishing long-term success for ourselves and for our company.*

*We each have the power to shape our goals and our actions to achieve optimum performance. The Tractebel North America Incentive Plan (TIP) rewards employees annually based on individual performance and company success.*

**One goal.** We concentrate on key markets and leverage our organizational strengths to achieve sustained profitable growth. The TIP encourages us to stay focused on enhancing our annual performance, and it rewards us when we do.

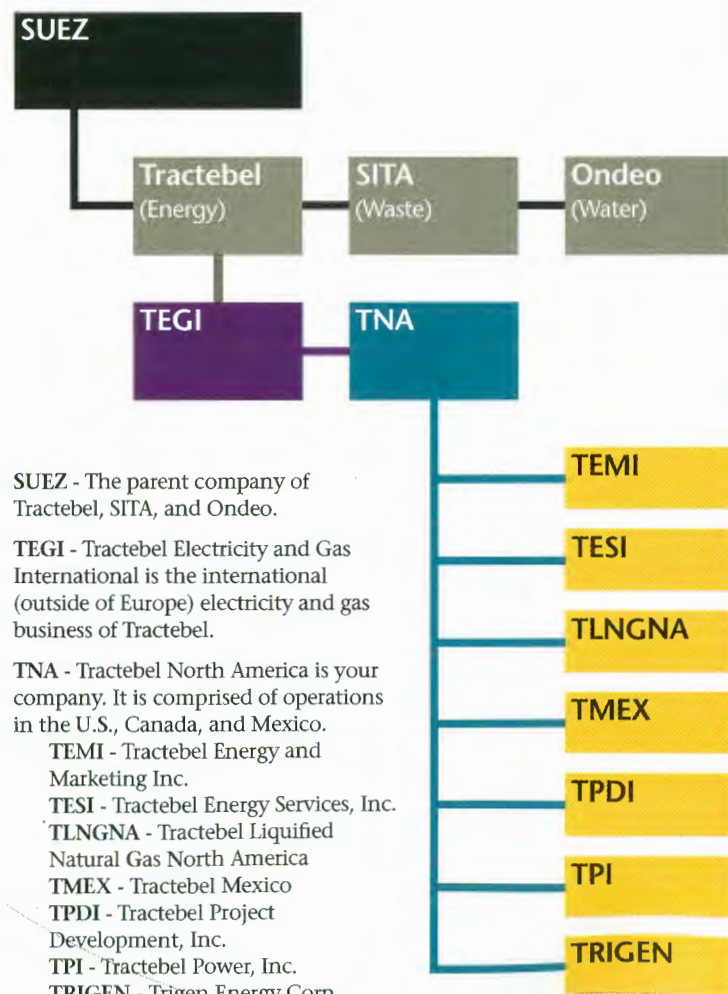
**One team.** Our company's success depends on our unified individual efforts and the accomplishments we produce together. The TIP brings a personal focus to the real, measurable results we all work to achieve.

**One direction.** As we continue to build on our achievements and set new challenges, it is essential that we stay true to our purpose, while embracing change. This guide gives you a map to our destination, and describes the rewards you earn for contributing to your company's success.

**Infinite possibilities.** Through our focus on building our customer's trust, our commitment to innovate, and our ability to attract creative, insightful people, there's no limit to what we can achieve – as individuals and as a company.



## THE ORGANIZATION



SUEZ - The parent company of Tractebel, SITA, and Ondeo.

TEGI - Tractebel Electricity and Gas International is the international (outside of Europe) electricity and gas business of Tractebel.

TNA - Tractebel North America is your company. It is comprised of operations in the U.S., Canada, and Mexico.

TEMI - Tractebel Energy and Marketing Inc.

TESI - Tractebel Energy Services, Inc.

TLNGNA - Tractebel Liquefied Natural Gas North America

TMEX - Tractebel Mexico

TPDI - Tractebel Project Development, Inc.

TPI - Tractebel Power, Inc.

TRIGEN - Trigen Energy Corp.

## TRACTEBEL NORTH AMERICA INCENTIVE PLAN HIGHLIGHTS

As part of our employee incentive programs, we measure success two ways:

1. Short-term results based on our annual budgets (TIP).
2. Long-term results based on our five-year strategic plans (PUP).

Your contributions have a direct impact on both results, and we offer generous incentive programs to reward your success.

The Tractebel North America Incentive Plan (TIP) rewards annual achievement with generous incentive pay.

- **Annual performance targets** – The compensation committee approves a new performance cycle each year. This means that there are ongoing incentives to maintain high levels of performance from year to year.
- **Individual performance targets** – The TIP also rewards your individual performance for the year based on your manager's evaluation of your performance.
- **Individual target awards** – You are assigned an annual target award based on your position at Tractebel North America. Your individual target award is set as a percentage of your base pay.
- **Rewards for results** – As the company and individual employees meet or exceed targeted performance levels, your TIP award grows – up to twice your individual target award.
- **Annual awards** – The TNA Compensation Committee approves new performance targets each year. This means that you will be eligible for a cash award every year.

## TIP OBJECTIVES

The TIP is designed to meet several important objectives:

- Provide an annual incentive strategy that drives performance towards objectives critical to creating shareholder value.
- Offer competitive cash compensation opportunities to all eligible TNA employees.
- Award outstanding achievement among employees who can directly impact TNA results.
- Assist TNA in attracting and retaining the “Best of the Best” employees.
- Provide cash awards for both qualitative and quantitative results.
- Provide cash compensation opportunities for making sound business decisions that impact our financial performance.
- Reward outstanding achievements and encourage all of you to think and act like owners of Tractebel.

## HOW TIP WORKS

Each year we develop and submit a budget to Tractebel SA. It includes goals for profit, return on capital employed, value created by new projects, and operating expenses for all of our business units for one calendar year. The budget reflects TNA’s desire to grow our business profitability each year and contribute to the overall success of our parent company, Suez. These are our key targets for measuring our performance and determining our year-end rewards.

Your specific goals are provided at the beginning of each plan year.

## HOW WE MEASURE SUCCESS

Tractebel North America’s performance results are determined each year using financial measures. Some of these measures are:

- **Return on Capital Employed (ROCE)** – ROCE measures how profitability TNA is utilizing its assets. TNA will establish a ROCE target each year.
- **Net Profit After Taxes (NPAT)** – NPAT measures profitability after taxes have been paid. NPAT goals are also set annually for each business unit or plant.
- **Risk Adjusted Net Present Value (RANPV)** – RANPV is the expected cash flow of a project, discounted to the present and adjusted for estimated market risks particular to that project.

As much as 80% of the annual award is based on quantitative results.