

Corporate governance

The Board of Directors

Since its listing on the stock exchange, Nexans has adopted a number of rules relating to corporate governance with a view to ensuring transparency of information with respect to both its directors and its shareholders.

The Board of Directors is made up of ten members. They come from diverse backgrounds and were selected for their expertise and experience in industry, banking, or consultancy, enabling them to give informed opinions and advice in the best interests of the Company. None of the members in office is an employee, company officer or member of the management team of the Company or of any Group company, save for Gérard Hauser who is Chairman and Chief Executive Officer. None of them has been in office for more than twelve years.

No category of shareholder is represented on the Board of Directors, and no director is elected by the employees.

Once again this year, the Board of Directors has followed the recommendations of the Combined Viénot-Bouton Report of June 2003 and, at its March 9, 2005 meeting, based on the report issued by its Appointments & Compensation Committee, reviewed the situation of each of its members with regard to the criteria governing independence defined in the Report as reflected in the Company's Internal Regulations. The latter specifies in particular that in the Group's relations with businesses and banks in which any of its directors have an interest, independence will be determined according to the level of sales made to such companies, which is fixed at 10%, or in respect of investment banks and financial share of business given to them. The aim is to determine whether these relationships are of an importance and nature such that they could affect the independence and freedom of judgement of the directors concerned. Based on these criteria, the Board of Directors determined that Gianpaolo Caccini, Jean-Marie Chevalier, Jacques Garaïalde, Colette Lewiner, Yves Lyon-Caen, Patrick Puy, Ervin Rosenberg and Jean-Louis Vinciguerra should be considered as to be independent directors.

The Board of Directors determined that the other directors were not independent: Gérard Hauser, in view of his position as Chairman and CEO of the Company, and Georges Chodron de Courcel, owing to his position within BNP Paribas, which is one of the banks the Group uses for everyday banking transactions, as well as financial transactions.

8 directors out of 10 are considered to be independent

Attendance to the Board of Directors: 90%

Eight out of the ten directors are therefore independent, representing more than half of the Board members, a proportion in accordance with the recommendations of the Viénot-Bouton Report.

EXECUTIVE MANAGEMENT

Pursuant to the French law of May 15, 2001 relating to new economic regulations, the Nexans Board of Directors decided on June 25, 2002, not to separate the roles of Chairman of the Board and Chief Executive Officer of the Company. Nexans has an Executive Committee made up of senior executives in charge of the different geographical zones and clearly defined functions (see page 11).

APPRAISAL OF THE BOARD OF DIRECTORS

The Board of Directors undertook its annual appraisal of its method of operation, to ensure that important matters are properly reported, dealt with, and debated during meetings. The appraisal was based on a detailed questionnaire sent to all directors. The questionnaire was amended to incorporate the comments made following the first appraisal made the previous year. The aim of the questionnaire is to assess the composition of the Board, the frequency of meetings, the relevance and quality of the information provided to it, the support provided to it by the Committees, and the level of debate provided on the items on the agenda.

The evaluation of 2004 confirmed that the functioning of the Board is highly satisfactory. No proposals for changes were made although some limited interventions were suggested, such as a presentation on competition.

Two specialized committees were created by the Board of Directors on July 4th, 2001: the Accounts Committee and the Appointments & Compensation Committee (see details of the composition and functioning of these committees in the Chairman's Report, on pages 109 to 117 of this reference document). Their method of operation and objectives were determined by the Board.

REPORT OF THE ACTIVITIES OF THE ACCOUNTS COMMITTEE IN 2004

The Accounts Committee met twice during the 2004 financial year. During 2004, the Accounts Committee examined the consolidated financial statements, and the progress report on the internal audit plan was presented to it.

REPORT OF THE ACTIVITIES OF THE APPOINTMENTS & COMPENSATION COMMITTEE IN 2004

The Appointments & Compensation Committee met three times in 2004. It gave its opinion on the following issues:

- the rules for calculating the variable portion of the Chairman and CEO's compensation for 2003 and the determination of his objectives for 2004,
- the proposal to appoint two new directors,
- the adoption of a new stock option plan and the beneficiaries of the options granted.

For information relating to the report of the activities of the Board of Directors during the 2004 financial year, see the Chairman's Report on pages 109 to 117 of this reference document.

DIRECTORS' INTERESTS AND COMPENSATION

The amount of annual Directors' fees awarded as well as the rules for allocating these fees effective from the financial year beginning January 1st, 2003 were determined at the Combined General Shareholders' Meeting on June 5th, 2003.

Directors' fees fixed and allocated by the Board of Directors includes a fixed portion and a variable portion, based on the director's individual Board meeting attendance and participation in committees.

Directors' fees for 2004 are allocated as follows:

- all directors, including the Chairman, receive a fixed payment of 15,000 euros,
- all directors, including the Chairman, receive an additional 2,000 euros for each Board meeting they attend, up to a maximum of 10,000 euros per director,

- the members of the Accounts Committee receive 3,000 euros per meeting, up to a maximum of 6,000 euros per annum,
 - the members of the Appointments & Compensation Committee receive 4,000 euros per annum for their services. This amount will be brought to 6,000 euros in 2005, in order to take into account the number of meetings and line up both committees.
- Directors' fees for the 2004 financial year amounted to 262,500 euros payable as follows: Ervin Rosenberg received 32,000 euros, Georges Chodron de Courcel and Jean-Louis Vinciguerra each received 31,000 euros; Gianpaolo Caccini and Patrick Puy received each 29,000 euros; Gérard Hauser, Jean-Marie Chevalier and Jacques Garaïalde each received 25,000 euros; Colette Lewiner received 18,750 euros and Yves Lyon-Caen received 16,750 euros. Directors' fees were paid to the Board members in 2005.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S COMPENSATION

In 2004, the Chairman and CEO's total gross compensation, before tax and including benefits in kind and directors' fees, amounted to 1,365,527 euros (DADS basis).

The evolution of his compensation is as follows:

In euros	2002	2003	2004
Reference salary	686,000	750,000 ⁽¹⁾	750,000*
Variable compensation ⁽²⁾	411,600	562,500*	695,000
Directors' fees ⁽²⁾	20,000	25,000*	25,000
Benefits in kind	44,671	47,139	28,027*

⁽¹⁾ The reference salary was increased to 750,000 euros, effective March 1st, 2003.

⁽²⁾ For the given financial year.

* The total of these amounts corresponds to the total gross compensation, before tax (DADS basis), indicated above.

For the 2004 financial year, 60% of the Chairman and CEO's variable compensation was based on quantitative objectives measured by operating income, sales, and working capital. The remaining 40% was determined on the basis of a qualitative assessment.

The Chairman and CEO benefits from the complementary retirement plan set up for the Group's senior executives.

Members of the Board of Directors as of April 15, 2005

Gérard Hauser, 63 years old

Chairman and Chief Executive Officer of Nexans
16, rue de Monceau 75008 Paris - France

Number of Nexans shares held:

46,118 (as of March 31, 2005)

Date of appointment and term expiration:

October 17, 2000 (date of first appointment)/
General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Member of the Board of Directors of Alstom, Faurecia, Aplix and Electro Banque

Gianpaolo Caccini, 66 years old

Chairman of Assovetro,
Association of Italian Glass Manufacturers
Via Caradosso n°17, 20123 Milan - Italy

Number of Nexans shares held: 100

Date of appointment and term expiration:

June 15, 2001/ General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Member of the Board of Directors of Saint-Gobain, Saint-Gobain Corporation (USA), and JM Huber Corporation (USA)

Georges Chodron de Courcel, 54 years old

Chief Operating Officer of BNP Paribas,
Member of the BNP Paribas Executive Committee
3, rue d'Antin 75002 Paris - France

Number of Nexans shares held: 29

Date of appointment and term expiration:

June 15, 2001/ General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Chairman of Financière BNP Paribas SAS, Compagnie d'Investissement de Paris SAS, BNP Paribas Emergis SAS and BNP Paribas (Suisse) SA (all subsidiaries of BNP Paribas). Member of the Board of Directors of Bouygues SA, Alstom, FFP (Société Foncière Financière et de Participations), Verner Investissements SAS, and Erbé SA (Belgium). Member of the Supervisory Board of Lagardère SA, and Observer of Scor, Scor Vie and Sagem

Jacques Garaïalde, 48 years old

Managing Director of KKR
(Kohlberg Kravis Roberts & Co. Ltd.)

in charge of LBO Business Development, Southern Europe
Stirling Square, 7 Carlton Gardens, London SW1Y 5AD -
United Kingdom

Number of Nexans shares held: 500

Date of appointment and term expiration:

June 15, 2001/ General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Member of the Board of Directors of Legrand

Patrick Puy, 49 years old

Senior Advisor of Alvarez & Marsal France
163, avenue Charles-de-Gaulle
92400 Neuilly-sur-Seine - France

Number of Nexans shares held: 61

Date of appointment and term expiration:

June 15, 2001/ General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Member of the Board of Directors of Souvigel

Ervin Rosenberg, 69 years old

Advisor to the President of Compagnie
Financière Edmond de Rothschild Banque
47, rue du Faubourg Saint-Honoré 75008 Paris - France

Number of Nexans shares held: 110

Date of appointment and term expiration:

June 15, 2001/ General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Chairman and CEO of Compagnie Financière Savoisiennne, Member of the Supervisory Board of Compagnie Financière Edmond de Rothschild Banque, LCF Rothschild Financial Services and of Mobility Benefits

Jean-Louis Vinciguerra, 61 years old

President of Innofin, a strategic financial advisory firm and financial advisor to AKFED (Aga Khan Fund For Economic Development)
23, boulevard Lannes 75016 Paris - France

Number of Nexans shares held: 50

Date of appointment and term expiration:
June 15, 2001/ General Shareholders' Meeting 2007⁽¹⁾

Jean-Marie Chevalier, 63 years old

Professor of Economics at the University of Paris IX-Dauphine
Place du Maréchal-de-Lattre-de-Tassigny
75116 Paris - France

Number of Nexans shares held: 20

Date of appointment and term expiration:
October 23, 2003 / General Shareholders' Meeting 2007⁽¹⁾

Other directorships: Director of the Paris office of Cambridge Energy Research Associates (CERA), a U.S. strategic advisory firm consulting company in energy markets

Colette Lewiner, 59 years old

Vice President, Sector Leader Energy and Utilities and Global Marketing Leader at Cap Gemini
Tour Europlazza, La Défense 4 - 20, avenue André Prothin
92927 Paris La Défense cedex - France

Number of Nexans shares held: 46

Date of appointment and term expiration:
June 3, 2004 / General Shareholders' Meeting 2008⁽²⁾

Other directorships: Member of the Conseil stratégique des technologies de l'information (France's Strategic Board for Information Technology) and Member of the Académie des Technologies (Technology Academy)

Yves Lyon-Caen, 54 years old

Chief Executive Officer of Béri 21 (holding company of Bénêteau SA) and director of Bénêteau SA
91 ter, rue du Cherche-Midi 75006 Paris - France

Number of Nexans shares held: 10

Date of appointment and term expiration:
June 3, 2004 / General Shareholders' Meeting 2008⁽²⁾

Other directorships: Chairman of the Supervisory Board of Sucres & Denrées

Executive committee

- **Gérard Hauser**,
Chairman and Chief Executive Officer
- **Michel Lemaire**,
Executive Vice-President, North America/Asia area
- **Yvon Raak**,
Executive Vice-President, Europe area
- **Bruno Thomas**,
Executive Vice-President, Rest of the World area
- **Véronique Guillot-Pelpel**,
Senior Corporate Vice-President, Communications
- **Pascal Portevin**,
Executive Vice-President, Strategic Operations
- **François Saint-Dizier**,
Senior Corporate Vice-President, Human Resources
- **Frédéric Vincent**,
Chief Financial Officer

(1) At the close of the General Shareholders' Meeting convened to consider the financial statements for the financial year ending December 31, 2006.

(2) At the close of the General Shareholders' Meeting convened to consider the financial statements for the financial year ending December 31, 2007.