

Elia Group
Public Limited Liability Company (“société anonyme/naamloze vennootschap”)

Boulevard de l’Empereur 20
B-1000 Brussels
Enterprise number 0476 388 378 (Brussels)

(hereinafter, the "**Company**")

**SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH SECTION 7:154
OF THE CODE OF COMPANIES AND ASSOCIATIONS REGARDING THE AMENDMENT TO
THE OBJECT OF THE COMPANY**

The board of directors of the Company (hereinafter the "**Board of Directors**") is honoured to submit to you, pursuant to section 7:154 of the Code of Companies and Associations the present report to justify its proposal to amend the object of the Company.

1. Justification for the proposed amendment to the object

The Board of Directors proposes to amend the object of the Company. This proposal to amend the articles of association of the Company will be presented for decision to the Extraordinary General Meeting of 21 May 2024.

The reason for this proposal to amend the object is that the current statutory description of the object of the Company (being "*the management of electricity networks*") is still the same as when the Company fulfilled itself the task of transmission system operator. However, since 1 January 2020, the transmission system operator is no longer the Company, but its subsidiary Elia Transmission Belgium SA/NV. It is therefore possible and appropriate to broaden the scope of the object of the Company.

More specifically, the Board of Directors proposes to amend the object in such a way that, in addition to the management of electricity networks, the Company can also invest on an ancillary basis in other activities in the energy sector (including the production and supply of electricity), provided, however, that these other activities do not conflict (in light of the applicable legislation and regulations, in particular ownership unbundling rules) with the aforementioned main object of the Company.

Considering the above, the Board of Directors is of the opinion that the proposed amendment to the object as set out in the articles of association serves the interest of the Company and is justified for that reason.

2. Proposed amendment to the object

As explained above, the Board of Directors considers it appropriate to amend the object of the Company as set out in article 3 of the articles of association.

The resolutions proposed in this context must be approved by the Extraordinary General Meeting in accordance with the procedure stipulated in section 7:154 of the Code of Companies and Associations.

In light of the above, the Board of Directors proposes to amend the current articles 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7 and 13.1, second paragraph of the articles of association to read as follows, each time specifying in detail which parts are new ('**new**') or are to be removed ('**removed**')

Article 3.1:

*“The main object of the company is the management of electricity networks, whether or not through participations in undertakings that own electricity grids and/or are active in this sector, including related services. **Furthermore, it can invest on an ancillary basis in other activities in the energy sector (including the production and supply of electricity), provided that these other activities do not conflict (in light of the applicable legislation and regulations, in particular the ownership unbundling rules) with the aforementioned main object of the company.**”*

Article 3.2:

“To this effect, the company may particularly take on the following tasks relating to the electricity network or the electricity networks referred to in the foregoing:

1° operation, maintenance and development of secure, reliable and effective networks, including interconnectors from them to other networks in order to guarantee continuity of supplies;

2° improvement, study, renewal and extension of the networks, particularly in the context of a development plan, in order to ensure the long-term capacity of the networks and to meet reasonable demand for the transmission of electricity;

3° management of electrical currents on the networks, having regard to exchanges with other mutually connected networks and, in this context, ensuring coordination of the switching-in of production plants and determining the use of interconnectors on the basis of objective criteria in order to guarantee a durable balance among the electrical currents resulting from the demand for and the supply of electricity;

4° providing secure, reliable and effective electricity networks and, in this connection, ensuring availability and implementation of the necessary support services and particularly emergency services in the event of defects in production units;

5° contributing to security of supply via an adequate transmission capacity and network reliability;

6° guaranteeing that no discrimination arises among network users or categories of network users, particularly in favour of Affiliated undertakings;

7° collecting revenues from congestion management;

8° granting and managing third-party access to the networks;

9° in the context of the foregoing tasks, endeavouring and taking care that market integration and energy efficiency are promoted according to the **legislation and regulations** applicable to the company."

Article 3.3:

The current article 3.3 is removed in its entirety:

~~"The company can, under the conditions stipulated by law, involve one or more subsidiary undertakings under its supervision and control in the performance of certain activities referred to in articles 3.1 and 3.2."~~

Article 3.4 (being renumbered as article 3.3):

~~"The company may, provided it complies with any conditions laid down in the applicable legislation **and regulations**, both in Belgium and abroad, carry out any transaction that is such as to promote the achievement of its object as well as any public service task that might be imposed upon it by the legislator. The company may ~~not~~ engage ~~in any activity~~ **on an ancillary basis in activities** relative to the production or sale of electricity **provided that these activities do not conflict (in light of the applicable legislation and regulations) with the main object of the company as described in article 3.1. The company is particularly vigilant not to contravene the ownership unbundling rules imposed on it by the applicable legislation and regulations. other than production in the Belgian supply area within the limits of its power requirements in relation to support services and sales that are necessary for its coordination activity as network administrator.**"~~

Article 3.5 (being renumbered as article 3.4):

The current article 3.5 remains the same as to its content, but is renumbered as the new article 3.4:

"The company may perform all operations generally of any nature, whether industrial, commercial, financial, relating to moveable or immovable property, that are directly or indirectly related to its object. It may in particular own goods, moveable or immovable, of which it performs the management or exercise or acquire all rights with respect to these goods such as are necessary to fulfil its mission."

Article 3.6 (being renumbered as article 3.5):

*“The company may, **provided it complies with any conditions laid down in the applicable legislation and regulations**, participate, in any manner, in all other undertakings which are likely to promote the ~~realisation~~**creation** of its object; in particular, it may participate, including in the capacity of shareholder, cooperate or enter into any form of cooperation agreement, whether commercially, technically or of any other nature, with any Belgian or foreign person, undertaking or company engaged in similar or related activities, without **thereby contravening the ownership unbundling rules imposed on it by the applicable legislation and regulations**.~~holding any membership rights, either direct or indirect, in any form whatsoever, in producers, distribution system operators, suppliers and intermediaries, each in respect of electricity and/or natural gas, or in companies Affiliated with the said companies, except in the cases provided for by applicable legislation”~~”*

Article 3.7 (being renumbered as article 3.6):

“In the context of these articles of association, for the definition of the terms “producer”, “distribution system operator”, “supplier”, “intermediary” and “subsidiary undertaking”, reference is made to ~~section 2 of~~ the Belgian Act of 29 April 1999 on the organisation of the electricity market.”

Article 13.1, second paragraph:

*“**In light of the applicable legislation and regulations, particularly the ownership unbundling rules**~~Additionally~~, the members of the board of directors may not be members of the supervisory board, the board of directors or bodies that by statute represent an undertaking that fulfils any of the following functions: production or supply of electricity. Nor may the members of the board of directors carry out any other function or activity, whether remunerated or not, in favour of an undertaking falling under the preceding sentence.”*

Brussels, 29 March 2024,

For the Board of Directors,

Geert Versnick
Vice-President
Director

Bernard Gustin
President
Director