

REMUNERATION POLICY ELIA GROUP SA/NV¹

1 SCOPE

This (proposal of) remuneration policy has been drafted in accordance with the Belgian Code of Companies and Associations and the Corporate Governance Code 2020. It sets out the principles that Elia Group SA/NV (hereinafter “**Elia Group SA/NV**” or “**the Company**”) applies for the remuneration of the members of the board of directors and the executive management board.

This remuneration policy was drafted and approved by the board of directors of 29 March 2024 based on a reasoned advice of the nomination and remuneration committee of the Company on 21 March 2024, in order to submit it for approval to the ordinary general meeting of 21 May 2024.

Subject to approval by the ordinary general meeting of 21 May 2024, this new remuneration policy shall apply within the Company as from 1st January 2024.

The previous remuneration policy² was approved on 16 May 2023 by the general meeting³ and included an adjustment of the remuneration policy approved by the general meetings of 17 May 2016, 15 May 2018, 18 May 2021 and 17 May 2022 respectively.

In case of any material change and at least every four years, the remuneration policy is submitted to the general meeting of Elia Group SA/NV for approval.

Under point 5, a procedure is provided to derogate from the remuneration policy in exceptional circumstances.

2 ELIA GROUP SA/NV’S VISION ON THE REMUNERATION POLICY

The remuneration policy aims at attracting, retaining and rewarding the best talents, in order for the Company to achieve its short- and long-term strategic objectives while taking into account the Company’s risk appetite and standards of conduct. The level of the remuneration should enable the Company to safeguard the involvement of the directors and members of the executive management board and to ensure the right combination of expertise and diversity. In this way, the remuneration policy contributes to the business strategy, the safeguarding of long-term interests and the reinforcement of the sustainability of the Company.

¹ Public limited liability company (“société anonyme”/“naamloze vennootschap”) with registered office at Boulevard de l’Empereur 20, 1000 Brussels and registered in the Crossroads Bank for Enterprises under enterprise number 0476.388.378 (RPM/RPR Brussels).

² The previous remuneration policy can be consulted using the following link:
https://investor.eliagroup.eu/-/media/project/elia/shared/documents/investor-relations/shareholders-meetings/2024/ago/point-4_eg_ago_gav_remuneratiebeleid-elia-group_eng_clean.pdf.

³ As regards the remuneration of the directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV, decisions were also taken by the respective general meetings of these companies on 27 March 2020, 18 May 2021, 17 May 2022 and 16 May 2023.

3 REMUNERATION POLICY FOR THE MEMBERS OF THE BOARD OF DIRECTORS

3.1 DECISION-MAKING PROCESS

The remuneration of the directors is determined by the general meeting on the proposal of the board of directors. This proposal of the board of directors is based on the recommendations of the nomination and remuneration committee concerning the policy on directors' remuneration.

The nomination and remuneration committee regularly analyses the remuneration policy applicable to the members of the board of directors. In doing so, the nomination and remuneration committee examines whether an adjustment is necessary, among other things on the basis of benchmark studies. In this way, the nomination and remuneration committee ensures that the remuneration is appropriate and in line with market practices, taking into account the position and importance of the Elia Group, its financial situation, its position in the market and the level of responsibilities of the directors.

If the board of directors, on the advice of the nomination and remuneration committee, wishes to make a material change to the remuneration policy, this proposal will be submitted to the general meeting of Elia Group SA/NV for approval. In any event, the remuneration policy will be submitted to the general meeting for approval at least every four years.

3.2 MANAGEMENT OF POTENTIAL CONFLICTS OF INTERESTS

Any decision on the remuneration of the directors falls under the exclusive competence of the general meeting. This legally defined division of powers ensures that there are no potential or existing conflicts of interests in this context.

Moreover, the nomination and remuneration committee, in its recommendations to the board of directors, applies comparison methods to ensure a market-based and objective determination of the directors' remunerations.

3.3 REMUNERATION'S COMPONENTS

3.3.1 *FIXED REMUNERATION*

3.3.1.1 FIXED REMUNERATION IN ELIA GROUP SA/NV

Board of directors

The fixed remuneration of the directors of Elia Group SA/NV consists of an annual base salary of €25,000 and an attendance fee of €1,000 per meeting of the board of directors. The fixed remuneration of the chairman of the board of directors consists of an annual base salary of €60,000 and an attendance fee of €1,500 per meeting of the board of directors.

Advisory committees

The fixed remuneration of members of the audit committee of Elia Group SA/NV consists of an annual base salary for each member of the audit committee of €6,000 and an attendance fee for each member of the audit committee of €1,150 per meeting of the audit committee. For the chairman of the audit committee, the annual base salary amounts to €10,000 and the attendance fee amounts to €1,300 per audit committee meeting.

The fixed remuneration of members of the nomination and remuneration committee and of the strategic committee of Elia Group SA/NV consists of an annual base salary for each member of the nomination and remuneration committee and of the strategic committee of €4,000 and an attendance fee for each member of the aforementioned committees of €1,000 per committee meeting. The annual base salary for the chairmen of each of the aforementioned committees amounts to €8,000 and the attendance fee amounts to €1,300 per meeting of each of the aforementioned committees.

Absolute maximum ('cap') for the attendance fees

The above-mentioned attendance fees are subject to the following additional limitation: a maximum of eight attendance fees per year will be paid for meetings of the board of directors of Elia Group SA/NV and a maximum of five attendance fees per year for meetings of a committee of Elia Group SA/NV, even if over a year there are more than eight meetings of the board of directors or more than five meetings of a committee.

3.3.1.2 FIXED REMUNERATION IN ELIA TRANSMISSION BELGIUM SA/NV AND ELIA ASSET SA/NV

Board of directors

The fixed remuneration of the directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV consists of (within each of the two aforementioned companies) an annual base salary of € 12,500 and an attendance fee of €500 per meeting of the board of directors. For the chairman of the board of directors, the annual base salary amounts to €25,000 and the attendance fee per meeting of the board of directors amounts to €750.

Advisory committees

The fixed remuneration of members of the audit committee of Elia Transmission Belgium SA/NV and Elia Asset SA/NV consists of (within each of the two aforementioned companies) an annual base salary for each member of the audit committee of €3,000 and an attendance fee for each member of the audit committee of €575 per meeting of the audit committee. For the chairman of the audit committee, the annual base salary amounts to €4,000 and the attendance fee per meeting of the audit committee amounts to €650.

The fixed remuneration of members of the nomination and remuneration committee and the corporate governance committee of Elia Transmission Belgium SA/NV and Elia Asset SA/NV consists of (within each of the two aforementioned companies) an annual base salary for each member of the nomination and remuneration committee and the corporate governance committee of €2,000 per committee and an attendance fee for each member of a committee of €500 per committee meeting. For the chairman of the remuneration committee, the annual base salary amounts to €3,500 and the attendance fee per meeting of the remuneration committee amounts to €650. For the chairman of the corporate governance committee, the annual base salary amounts to €3,000 and the attendance fee per meeting of the corporate governance committee amounts to €650.

Notwithstanding the previous paragraphs, the attendance fees of the directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV who are also directors of Elia Group SA/NV are limited to 30% of the abovementioned amounts of attendance fees in Elia Transmission Belgium SA/NV and Elia Asset SA/NV.

Absolute maximum ('cap') for the attendance fees

As in Elia Group SA/NV, the abovementioned attendance fees are also subject to the following additional limitation in Elia Transmission Belgium SA/NV and Elia Asset SA/NV: a maximum of eight attendance fees per year will be paid for meetings of the board of directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV and a maximum of five attendance fees per year for meetings of a committee of Elia Transmission Belgium SA/NV and Elia Asset SA/NV, even if over a year there are more than eight meetings of the board of directors or more than five meetings of a committee.

3.3.1.3 ADDITIONAL ATTENDANCE FEE FOR DIRECTORS DOMICILED OUTSIDE BELGIUM

The members of the board of directors or of a committee of Elia Group SA/NV and/or of Elia Transmission Belgium SA/NV / Elia Asset SA/NV domiciled outside Belgium and whose normal travel time ('one way') from this domicile to Brussels exceeds three hours and/or whose domicile is located at a distance greater than 300 km receive an additional attendance fee of €4,000 per meeting of the board of directors or of a committee. If two or more meetings take place on the same day, the total additional attendance fee for these meetings amounts to €4,000. In addition, there is a maximum of twelve additional attendance fees of €4,000 per year per director domiciled outside Belgium.

This additional attendance fee is provided to compensate for the additional time required for travel.

3.3.1.4 INDEXATION, CALCULATION AND PAYMENT OF REMUNERATIONS

The annual base salaries and attendance fees are indexed each year in January according to the consumer price index for the month of June 2023.

All remunerations are calculated and granted from the date of the first meeting of the board of directors or of a committee in which a director participates and runs until the end date of the directorship.

At the end of each first, second and third quarter an advance on the annual remuneration is paid to the directors. A final settlement is made in December of the ongoing year.

3.3.2 REIMBURSEMENT OF EXPENSES

The annual base salaries and attendance fees cover all expenses, with the exception of:

- (a) the expenses incurred by directors domiciled outside Belgium during the exercise of their mandate (such as travel and accommodation expenses), insofar these directors are domiciled outside Belgium at the time of their appointment or, if the directors in question change their domicile after their appointment, insofar the nomination and remuneration committee approves the reimbursement of these expenses,
- (b) all expenses incurred by directors in the event a meeting of the board of directors is organized outside Belgium (e.g. in Germany), and
- (c) all expenses incurred by directors during their travels abroad in the framework of their mandate at the request of the chairman or the vice-chairmen of the board of directors.

All expenses and remunerations are included in the relevant company's operating expenses.

3.3.3 OTHER BENEFITS

No other benefits in kind, shares or share options, credits or advances are granted to the directors. This arrangement derogates from principle 7.6 of the Corporate Governance Code 2020 where it is proposed to receive part of their remuneration in the form of shares in the Company. The Company is of the opinion that a partial remuneration in shares does not necessarily contribute to the fact that the directors will also act from the perspective of long-term shareholders. Hereby the board of directors of 24 November 2020 followed the recommendation of the remuneration committee by deciding that such share-based remuneration is not suitable within Elia Group SA/NV as (i) Elia's activities are by nature organized in such a way as to present a low risk profile and are focused on the long term and (ii) the shareholding structure is based on a reference shareholding that naturally pursues fixed long-term objectives and sustainability goals.

Furthermore, this derogation is justified since, in the monistic governance model of Elia Group SA/NV, the board of directors has a dual role of supporting entrepreneurship on the one hand and ensuring effective supervision and control on the other hand. In order not to obscure the helicopter view of the directors, they do not receive any performance-related remuneration or share-related remuneration.

3.4 CONTRIBUTION TO THE BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY OF ELIA GROUP SA/NV

Elia Group SA/NV's remuneration policy for its directors is aimed at attracting individuals who, through the combination of their experience, knowledge and skills, enable the board of directors to fully fulfil its role: pursuing sustainable value creation by defining and following Elia Group SA/NV's strategy, providing ethical, responsible and effective leadership and monitoring the firm's performance.

When determining the remuneration of the directors, their responsibilities, the required time commitment and the associated risks and market practices are realistically taken into account. This explains the choice for a simple remuneration system without variable remuneration, benefits related to pension plans or other benefits in kind.

3.5 MAIN FEATURES OF THE CONTRACTS OR ARRANGEMENTS WITH THE DIRECTORS

The directors have a self-employed status and are, in accordance with article 12 of the Company's articles of association, appointed by the general meeting for a maximum term of six years.

The general meeting may terminate the mandate of any director with immediate effect at any time and without giving reasons. However, the general meeting may, when the termination notice is given, determine the date on which the mandate ends or grant severance payment.

4 REMUNERATION POLICY FOR MEMBERS OF THE EXECUTIVE MANAGEMENT BOARD

4.1 DECISION-MAKING PROCESS

The remuneration of the members of the executive management board is determined by the board of directors. This is done on the basis of recommendations made by the nomination and remuneration

committee, which applies specialised methods, more particularly the Hay method, in order to determine the weight of each management position aiming to ensure remuneration in line with the prevailing market.

Once a year, the nomination and remuneration committee makes a recommendation to the board of directors concerning the evaluation of the members of the executive management board and the remuneration granted to these members.

In accordance with the Hay method, the fixed remuneration of the members of the executive management board (and its evolution) depends on the position of each member of the executive management board compared to the reference salary in the market for comparable positions (Hay classification).

As regards the awarding of the variable remuneration, financial and non-financial performance criteria are defined as well as an explanation of how these criteria contribute to the business strategy, its long-term interests and its sustainability. The methods to be applied in order to assess whether the performance criteria have been fulfilled are also determined.

As regards the definition of the performance criteria for the variable remuneration and the assessment of the fulfilment thereof, each year the nomination and remuneration committee makes a recommendation to the board of directors concerning each member of the executive management board. The acquired variable remuneration is determined each year depending on the realization of the performance criteria.

The realization of the financial and non-financial performance criteria is determined in an objectively measurable way on the occasion of the annual performance review of the executive management board.

In addition, the remuneration policy is submitted to the general meeting for approval at least every four years.

4.2 MANAGEMENT OF POTENTIAL CONFLICTS OF INTERESTS

Since the members of the executive management board do not have a seat (or, for some of them, only as invitee) in the board of directors or in the nomination and remuneration committee, there is no risk of a conflict of interests on their part when it comes to determining the remuneration policy.

Moreover, the nomination and remuneration committee, in its recommendations to the board of directors, applies comparison methods, as described in point 4.1, in order to ensure an objective and market-based determination of the remuneration of the members of the executive management board.

4.3 REMUNERATION COMPONENTS

The remuneration of the members of the executive management board paid by the Company or by other companies belonging to the Elia Group consists of the following components:

- 1) a fixed remuneration;
- 2) a variable remuneration;

- 3) a contribution to a pension plan;
- 4) other benefits.

The relative share of these different components may vary from person to person / from country to country, but the Company applies an appropriate balance between fixed and variable remuneration.

Based on Hay evaluations and market data (reference salary data from the Hay database and market practice in the utility/energy sector in Belgium and Germany), the objective is that the ratio between each component varies between the following percentages:

	% of the total remuneration
Fixed remuneration (including other benefits)	between 45% et 60%
Variable remuneration	between 30% et 45%
Contribution to a pension plan	between 10% et 15%

In exceptional circumstances and duly motivated, to be assessed on a case-by-case basis, the board of directors, upon reasoned advice from the nomination and remuneration committee, may grant certain derogations from the applicable remuneration policy with regard to the relative share of these various components.

4.3.1 FIXED REMUNERATION

The agreements entered into with the members of the executive management board stipulate the fixed remuneration for their services. The fixed remuneration is determined on the basis of the Hay method, it being understood that the positioning within each Hay class is determined by the board of directors after consultation of the nomination and remuneration committee on the basis of the tasks, the competencies and the level of responsibility of the member concerned. Within each Hay class, the general philosophy is to allocate a fixed remuneration of between the 65th and 75th percentile of the general benchmark of the market for the relevant Hay class, which is in line with practices in the energy/utility sector. The fixed remuneration must also ensure the competitiveness of Elia Group SA/NV in the sector.

The evolution of the fixed remuneration is subject to an annual review in accordance with the Hay method and based on individual performance, taking into account inflation rules in the relevant countries.

4.3.2 VARIABLE REMUNERATION

4.3.2.1. General

The variable remuneration of the members of the executive management board is determined, in accordance with the Hay method, by the Hay class in which each member of the executive management board falls, taking into account his/her individual performances, the achievement of collective objectives and the benchmark.

The variable part of the remuneration consists of two pillars: (i) one short-term (with individual and collective objectives) and (ii) one long-term (with only collective objectives). The short- and long-term objectives are defined on the basis of the business strategy and the business vision, it being understood that, in comparison to the fixed remuneration:

- the variable remuneration linked to short-term objectives (for both individual and collective objectives) may vary between 40% and 60%⁴ (50% to 75%⁵ for the CEO) of the fixed remuneration; and
- the variable remuneration linked to long-term objectives (for collective objectives) may vary between 30% and 45%⁶ of the fixed remuneration.

The total variable remuneration is capped at:

- max. 70% (80% for the CEO) of the fixed remuneration if all objectives are reached at 100% (zone B);
- max. 105% (120% for the CEO) of the fixed remuneration if all objectives are reached at their maximum (zone C).

These data regarding the variable remuneration that can be awarded to the members of the executive management board (other than the CEO) can be summarized as follows:

	Basic target	Below targets Objectives insufficiently reached ("underperformance") (see below sections 4.3.2.2. and 4.3.2.3., each under 'degree of achievement')	Targets All objectives have been reached at 100% ("performance as per business plan") Zone B	Above targets All objectives have been reached at their maximum ("overperformance versus business plan") Zone C
Fixed remuneration	100	100	100	100
short term "STI"	40%	0%	40%	60% (being 150% of 40%)
of which:				
individual	30%	0%	30%	45%
collective	70%	0%	70%	105%
% of the STI in the total fixed and variable remuneration		0%	24%	29%
			(=40/(100+40+30))	(=60/(100+60+45))
long term "LTI"	30%	0%	30%	45% (being 150% of 30%)
of which:				
individual	0%	0%	0%	0%
collective	100%	0%	100%	150%

⁴ Assuming that all short-term objectives have been reached at their maximum (i.e. overperformance versus business plan).

⁵ Assuming that all short-term objectives have been reached at their maximum (i.e. overperformance versus business plan).

⁶ Assuming that all long-term objectives have been reached at their maximum (i.e. overperformance versus business plan).

% of the LTI in the total fixed and variable remuneration	0%	18%	22%
		(=30/(100+40+30))	(=45/(100+60+45))
		Zone B	Zone C
Hypothetical maximum total remuneration if the fixed remuneration is 100	100	170	205
Percentage (%) of the variable towards fixed remuneration	0%	70%	105%

For the CEO, these data can be summarized as follows:

	Basic target	Below targets Objectives insufficiently reached ("underperformance") (see below sections 4.3.2.2. and 4.3.2.3., each under 'degree of achievement')	Targets All objectives have been reached at 100% ("performance as per business plan") Zone B	Above targets All objectives have been reached at their maximum ("overperformance versus business plan") Zone C
Fixed remuneration	100	100	100	100
short term "STI"	50%	0%	50%	75% (being 150% of 50%)
of which:				
individual	30%	0%	30%	45%
collective	70%	0%	70%	105%
% of the STI in the total fixed and variable remuneration		0%	25%	34%
			(=50/(100+50+30))	(=75/(100+75+45))
long term "LTI"	30%	0%	30%	45% (being 150% of 30%)
of which:				
individual	0%	0%	0%	0%
collective	100%	0%	100%	150%
% of the LTI in the total fixed and variable remuneration		0%	17%	20%
			(=30/(100+50+30))	(=45/(100+75+45))

		Zone B	Zone C
Hypothetical maximum total remuneration if the fixed remuneration is 100	100	180	220
Percentage (%) of the variable towards fixed remuneration	0%	80%	120%

In case of force majeure events, the nomination and remuneration committee can decide on the final scores depending on the nature of the event.

In addition to the variable short-term and long-term remuneration, members of the executive management board may be awarded capped one-off cash bonuses in the event of exceptional performance or events. The amount of this one-off cash bonus may never exceed the amount of the variable remuneration linked to short-term objectives of the financial year in respect of which the one-off cash bonus is granted (section 4.3.2.5.).

4.3.2.2. Variable short-term remuneration

The first pillar of the variable remuneration is based on the achievement of a number of objectives linked to the strategic ambitions of the group, i.e. (i) Financial Performance, (ii) Sustainable Growth, (ii) Sustainable Operations and (iv) Transformation and Culture. Such objectives can be adjusted by the board of directors after advice of the nomination and remuneration committee at the beginning of each year.

For each short-term objective, it is determined when the result is achieved (degree of achievement) and the relative weight that this objective represents.

The individual short-term objectives are essentially defined beforehand, in function of the specific task package of the relevant member of the executive management board. Such individual short-term objectives are always aligned with the strategic ambitions of the group. The individual objectives include amongst others leadership, digitalisation, innovation, investment in growth strategy, financing of the group, safety, integration and performance of the subsidiary undertakings within the group, or the creation of a group culture and sustainability. The short-term objectives are considered to be sensitive information and are therefore subsequently disclosed in the remuneration report for the financial year in question.

The collective short-term objectives include among others net profit, OPEX efficiency, profits from the activities in the non-regulated segment, CAPEX projects, offshore & inorganic growth, security of supply, sustainability, safety and (group) culture.

The calculation of the variable remuneration linked to individual and collective short-term objectives is attuned to the following principles:

- for objectives linked to Financial Performance and Transformation and Culture:

Degree of achievement	Result compared to the objective ('percentage of achievement') (%)	Payment ('pay-out') (%)
	< 90%	0%
A	≥ 90% and <100%	Result lower than the 100% threshold: Linear extrapolation (min. = 90%)
B	100%	100%
C	>100%	Result above the 100% threshold Linear extrapolation (Cap max. = 120% for Financial Performance and 110% for Transformation & Culture)

- for objectives linked to Sustainable Operations:

Degree of achievement	Result compared to the objective ('percentage of achievement') (%)	Payment ('pay-out') (%)
	<50%	0%
A	≥50 and <100%	Result lower than the 100% threshold: Linear extrapolation (min. = 50%)
B	100%	100%
C	>100%	Result above the 100% threshold Linear extrapolation (Cap max. = 150%)

- for objectives linked to Sustainable Growth, the measurement is based on the achievement of key milestones on critical infrastructure projects:

Degree of achievement	Result compared to the objective ('percentage of achievement') (%)	Payment ('pay-out') (%)
	<75%	0%
A	≥75 and <85%	50%
B	≥85 and <100%	100%

C	≥100%	150%
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4.3.2.3. Variable long-term remuneration

The second pillar of the variable remuneration is based on multi-year criteria that are set for four years ('long-term incentive plan'). This plan responds to the need to have active and committed members of the executive management board that are jointly responsible for the further development of the Company. The nomination and remuneration committee believes that the application thereof is also a way to strengthen continuity within the executive management board and thus to promote sustainable value creation.

The long-term objectives for the years 2024-2027 are of three different orders:

	Long-term objectives	Relative weight
(i)	Financial Performance	35%
(ii)	Sustainable Growth	35%
(iii)	Sustainable Operations	30%
Total		100%

(i) The "**Financial Performance**" objective has the following measurement criteria:

Degree of achievement	Result compared to the objective ('percentage of achievement') (%)	Payment ('pay-out') (%)
	<90%	0%
A	≥90% and <100%	Result below the 100% threshold: Linear extrapolation (min. = 90%)
B	100%	100%
C	>100%	Result above the 90% threshold: Linear extrapolation (Cap max. = 120%)

(ii) The objective "**Sustainable Growth**" has the following measurement criteria:

Degree of achievement ('global Capex delivery')	Result compared to the objective ('percentage of achievement') (%)	Payment ('pay-out') (%)
	<90%	0%
A	≥90% and <100%	Result below the budget: Linear extrapolation (min. = 90%)

B	100%	100%
C	>100%	Result above the budget: Linear extrapolation (Cap max. = 120%)

(iii) The objective "**Sustainable Operations**" has the following measurement criteria:

Degree of achievement	Number of relevant strategic objectives reached or exceeded	Payment ('pay-out') (%)
	Rating drops	0%
A	Rating remains unchanged	50%
B	Rating improves by 5%	100%
C	Rating improves by >5%	Linear extrapolation (Cap max. = 150%)

The board of directors has provided for the possibility of derogating from the targets as determined in the plan in the event of an exceptional circumstance and upon the reasoned advice of the nomination and remuneration committee.

The variable long-term remuneration may be paid in cash or, after tax optimization, in another form.

4.3.2.4. Reclamations

Like the fixed remuneration, the variable remuneration is also definitively acquired at the time of payment. Regarding long-term objectives, the payments are spread over time. However, the amounts already paid may be claimed back in case of proven fraud or financial statements containing major errors.

4.3.2.5. One-off cash bonuses

The nomination and remuneration committee may, on a case-by-case basis, make recommendations to the board of directors concerning the granting of exceptional, one-off cash bonuses for special circumstances and performances of members of the executive management board in specific cases. The amount of this one-off cash bonus may never exceed the amount of the variable remuneration linked to short-term objectives of the financial year in respect of which the one-off cash bonus is granted.

4.3.3 CONTRIBUTION TO PENSION PLAN

All pension plans for the members of the executive management board are of the 'defined contribution' type, whereby the annual pre-tax amount paid is calculated on the basis of the fixed remuneration plus the amount of the short-term variable remuneration.

4.3.4 OTHER BENEFITS

The other benefits granted to the members of the executive management board, such as a guaranteed income in the event of long-term illness or an accident, health care and hospitalization insurance, disability and death insurance, a company car and/or contribution to the cost of public transport, any rate benefits, costs proper to the employer or other premiums are granted in accordance with the rules that apply to all the Company's managers and the local market standard.

The Company does not grant compensation in shares of Elia Group SA/NV to the members of the executive management board. The members of the executive management board may always purchase shares on a voluntary basis on the stock exchange or, where applicable, within the framework of capital increases intended for the employees of the Company and of its Belgian subsidiary undertakings or via a share purchase offer to the employees of 50Hertz.

In addition, contrary to recommendation 7.9 of the Corporate Governance Code 2020, the Company does not impose a minimum threshold of shares to be held by the members of the executive management board. This is because the structure of the remuneration of the members of the executive management board sufficiently contributes to the long-term interests and sustainability of the Company. After all, the fixed remuneration guarantees commitment in more difficult times and the variable remuneration guarantees ambition in achieving the performance criteria that translate the Company's business strategy.

4.4 CONTRIBUTION TO THE BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY OF ELIA GROUP SA/NV

Elia Group SA/NV's remuneration policy towards the members of the executive management board, including the variable remuneration, is aimed at recruiting, rewarding and retaining individuals who contribute to Elia Group SA/NV's sustainable business strategy. The composition of the remuneration of the members of the executive management board is also perfectly in line with Elia Group SA/NV's vision of its remuneration policy: a transparent and simple remuneration structure that reflects Elia Group SA/NV's long-term vision. The latter is clearly reflected in the performance criteria linked to the variable remuneration.

4.5 MAIN FEATURES OF THE CONTRACTS OR ARRANGEMENTS WITH THE MEMBERS OF THE EXECUTIVE MANAGEMENT BOARD

All members of the executive management board of Elia Group SA/NV have the statute of employees, either of the Company (as far as the members with Belgian nationality are concerned, for whom the agreement is subject to Belgian law) or of 50Hertz, with an additional assignment agreement between the Company and 50Hertz (as far as the members with German nationality are concerned, for whom the agreement is subject to German law).

An agreement with one member of German nationality was concluded for a fixed term in accordance with German regulations for managers.

The agreements with the members of the executive management board contain no specific provisions going beyond the national regulations to which the agreement with the member concerned is subject

(i.e. Belgian or German law). Consequently, no contractual arrangements derogating from Belgian or German law have been made regarding conditions of termination, severance payments or applicable notice period.

4.6 EXPLANATION OF HOW THE REMUNERATION AND EMPLOYMENT CONDITIONS OF THE COMPANY'S EMPLOYEES HAVE BEEN TAKEN INTO ACCOUNT WHEN DETERMINING THE REMUNERATION POLICY

When drawing up this remuneration policy, the remuneration and employment conditions of the Company's employees were taken into account. The Company ensures consistency between the remuneration of the members of the executive management board and that of other employees in order to be able to attract, reward and retain the necessary talents, taking into account the market conditions for each category of employees.

The remuneration of the employees consists, just like the remuneration of the members of the executive management board, of a fixed and a variable remuneration, supplemented by, where appropriate, extra-legal benefits, such as a company car, mobile phone and/or group insurance. The specific interpretation of these components always depends, of course, on the position and the social statute of the person in question, as well as on the local regulations to which the employee is subject.

As is the case for the directors and the members of the executive management board, there is currently no share (option) plan for the Company's employees, except in the framework of capital increases intended for the employees of the Company and of its Belgian subsidiary undertakings or in the framework of a share purchase offer to the employees of 50Hertz.

5 PROCEDURE FOR TEMPORARY DEROGATION FROM THE REMUNERATION POLICY

In exceptional circumstances, to be assessed on a case-by-case basis, and only if it serves the long-term interests and sustainability of Elia Group SA/NV, the board of directors, upon reasoned advice from the nomination and remuneration committee, may grant certain derogations from the applicable remuneration policy for the members of the executive management board with regard to the adjustment of the relative share of the various components of the remuneration package of the members of the executive management board.

In that case, the procedure as set out in article 4.1 must be followed.

Every permitted deviation shall be explained in the remuneration report of the relevant financial year.

6 OVERVIEW OF THE SIGNIFICANT CHANGES TO THE LAST APPROVED REMUNERATION POLICY

In comparison with the previous remuneration policy, the following significant changes have been made to clarify certain aspects of the remuneration of the members of the management board:

- Some wording has been added in order to clarify the method used to determine the fixed and variable remuneration, particularly the use of the Hay method (sections 4.3.1 and 4.3.2).

- The general part on variable remuneration (i.e. section 4.3.2.1) clarifies (a.o. with a table) the proportions of the variable remunerations on the short and long term in relation to fixed remuneration and to the total remuneration. The caps applicable to each of these components of the variable remuneration and the cap applicable to the total of the variable remuneration (max. 70% (80% for the CEO) of fixed remuneration if all objectives are reached at 100% and max. 105% (120% for the CEO) of fixed remuneration if the maximum of all objectives is reached) are set out.
- The section on short-term variable compensation (section 4.3.2.2) has been expanded to include explanations on the individual and collective objectives and the principles underlying the calculation of short-term variable compensation. It now explains the measurement criteria applicable to the results achieved ('percentage of achievement') and the impact of the degree of achievement of the objectives (A, B or C) on the calculation of short-term variable pay ('pay-out').
- The section on long-term variable remuneration (section 4.3.2.3) has been expanded to include explanations on the three long-term objectives set for the years 2024-2027. For each of these three objectives, it is now explained which measurement criteria apply to the results achieved ('percentage of achievement') and the impact of the degree of achievement of the objectives (A, B or C) on the calculation of the long-term variable remuneration ('pay-out').
- In addition to introducing new objectives for both the variable short-term remuneration and variable long-term remuneration, the pay-out linked to the degree of achievement of the objectives has been made stricter. This is done to align the objectives with the strategic ambitions of the group.