

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**” 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 31 March 2022 based on a reasoned advice of the remuneration committee of the Company on 22 March 2022, in order to submit it for approval to the ordinary general meeting of 17 May 2022.

Subject to approval by the ordinary general meeting of 17 May 2022, this new remuneration policy shall apply within the Company as from 1 January 2022.

The previous remuneration policy² was approved on 18 May 2021 by the general meeting³ and included a limited adjustment of the remuneration policy approved by the general meetings of 17 May 2016 and 15 May 2018 respectively.

With each material change and at least every four years, the remuneration policy will be submitted to the general meeting for approval.

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

2 ELIA GROUP’S VISION ON THE REMUNERATION POLICY

The remuneration policy aims at attracting, retaining and rewarding the best talent, 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 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 long-term interests and the sustainability of the Company.

¹ Public limited liability company (“naamloze vennootschap”/“société anonyme”) 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: [H:/downloads/7_EG_OGM_NEW_Modified%20Remuneration%20Policy_EN%20\(1\).pdf](H:/downloads/7_EG_OGM_NEW_Modified%20Remuneration%20Policy_EN%20(1).pdf).

³ As regards the remuneration of the directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV, an amendment was also made by the respective general meetings of those companies on 27 March 2021.

3 REMUNERATION POLICY FOR 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 remuneration committee concerning the policy on directors' remuneration.

The remuneration committee regularly analyses the remuneration policy applicable to the members of the board of directors. In doing so, the remuneration committee examines whether an adjustment is necessary, among other things on the basis of benchmark studies. In this way, the 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 remuneration committee, wishes to make a material change to the remuneration policy, this proposal will be submitted to the general meeting of Elia Group 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 area.

Moreover, the 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 COMPONENTS

3.3.1 *FIXED REMUNERATION*

The fixed remuneration of the directors consists of a base salary of € 12,500 and an attendance fee of € 750 per meeting of the board of directors (starting with the first board of directors' meeting attended by the director). The base salary and the attendance fee are increased by 100% for the chairman of the board of directors.

The base salary for each member of one of the four committees (audit committee, remuneration committee, nomination committee and strategic committee) is set at € 3,000 per annum per committee and the attendance fee for every member of a committee is set at € 750 per committee meeting (starting with the first meeting attended by the member). The base salary and the attendance fee are increased by 30% for each committee chairman.

The directors of the Company who are also directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV receive the following remuneration for these mandates (within each of the two aforementioned companies):

- A base salary of € 6,250 and an attendance fee of € 375 per meeting of the board of directors (starting with the first board of directors' meeting attended by the director). The base salary and the attendance fee are increased by 100% for the chairman of the board of directors.
- A base salary for each member of one of the three committees (audit committee, remuneration committee and corporate governance committee) of these companies of € 1,500 per annum per committee and an attendance fee for every member of a committee of € 375 per committee meeting (starting with the first meeting attended by the member). The base salary and the attendance fee are increased by 30% for each committee chairman.

The base salaries and attendance fees are indexed each year in January according to the consumer price index for the month of January 2016.

All remuneration is granted on a pro rata basis from the start date to 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 current year.

3.3.2 REIMBURSEMENT OF EXPENSES

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

- (a) 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 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 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 with 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 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, the board of directors has a dual role of supporting entrepreneurship on the one hand and ensuring effective supervision and control on the other. 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

Elia Group'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 play its role: pursuing sustainable value creation by defining and following Elia Group's strategy, providing effective, responsible and ethical 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 of 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 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 remuneration committee, which applies specialised methods (such as the Hay method) in order to determine the weight of each management position and to ensure remuneration in line with the prevailing market.

Once a year, the 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.

The fixed remuneration of the members of the executive management board (and its evolution) depends on (i) the positioning of each member of the executive management board with respect to the reference salary in the market for comparable positions and (ii) the assessment of his/her individual performance.

For the purposes of granting the variable remuneration, financial and non-financial performance criteria are defined, together with an explanation of how they contribute to the company's business strategy, long-term interests and sustainability. The methods to be used for determining the extent to which the performance criteria have been fulfilled are also defined.

As regards the definition of the performance criteria for the variable remuneration and the assessment of the fulfilment thereof, each year the 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 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 remuneration committee, there is no risk of a conflict of interests on their part when it comes to determining the remuneration policy.

Moreover, the remuneration committee, in its recommendations to the board of directors, applies comparison methods, as described in 4.1, in order to ensure a market-based and objective determination of the directors' remunerations.

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, aiming to have the relative share of each component situated within the following percentages:

- fixed remuneration (including the other benefits): between 45% and 60% of the total remuneration;
- variable remuneration: between 30% and 45% of the total remuneration;
- contribution to a pension plan: between 10% and 15% of the total remuneration.

4.3.1 FIXED REMUNERATION

The agreements with the members of the executive management board stipulate the base salary for their services. The evolution of the base salary is subject to an annual review based on inflation and individual performance.

4.3.2 VARIABLE REMUNERATION

General

The variable part of the remuneration consists of two pillars, one short-term and one long-term. The objectives for the variable part of the remuneration are defined on the basis of the business strategy and the business vision of the Company.

Variable short-term remuneration

The first pillar of the variable remuneration is based on the achievement of a number of financial and non-financial objectives which can be adjusted by the board of directors at the beginning of each year, with a maximum of 45% of variable short-term remuneration relating to individual objectives and a minimum of 70% relating to the achievement of collective objectives of Elia Group ('short-term incentive plan').

The individual short-term objectives are defined in function of the specific task package of the relevant member of the executive management board. The formulated objectives include amongst others leadership, digitalization, innovation, investment in growth strategy, financing of the group, safety, integration and performance of the subsidiary undertakings into the group, or the creation of a group culture and sustainability.

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, digital transformation, sustainability, safety and (group) culture.

The central objective of the application of these (objective) criteria is to align the interests of the members of the executive management board with the business strategy of the Company and the interests of the shareholders.

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 remuneration committee believes that its application 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 2021-2024 are of 4 different orders: a financial objective (Financing the Future), an objective related to the realization of major projects (Capex – Building the infrastructure of the future), Digital Transformation and a sustainability objective (Sustainable Development).

The financial objective and the objective concerning the realization of major projects have the following (identical) measurement criteria:

<=70%	= 0%
>70 and <=80%	= 50% payout
>80 and <=90%	= 75% payout
>90% and <=99%	= 90% payout
>99%	= 100% payout

The following (identical) measurement criteria apply to the Digital Transformation and Sustainable Development objectives:

Zone A	Minimum
Zone B	Target
Zone C	Maximum

The realization of the major projects is evaluated annually according to the criteria "on time, on budget and on quality".

The board of directors has provided for the possibility of derogating from the criteria laid down in the plan in the event of an exceptional circumstance and on the reasoned advice of the remuneration committee.

Reclamations

Like the fixed remuneration, the variable remuneration is also definitively acquired at the time of payment. However, the premiums already paid may be reclaimed in case of proven fraud or financial statements containing major errors.

One-off cash bonuses

The remuneration committee may, on a case-by-case basis, make recommendations to the board of directors on the granting of exceptional, one-off cash bonuses for special performances of members of the executive management board in specific dossiers.

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 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 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 strategy.

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

Elia Group's remuneration policy for the members of the executive management board, including the variable remuneration, is aimed at recruiting, rewarding and retaining individuals who contribute to Elia Group'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's vision of its remuneration policy: a transparent and simple remuneration structure that reflects Elia Group's long-term vision. The latter is clearly reflected in the performance criteria for the realization of 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 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 of the members of the executive management board contain no specific provisions in addition to 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 payment 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 the remuneration of other employees in order to be able to attract, reward and retain the necessary talent, 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, where appropriate, by 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, the board of directors, upon reasoned advice from the 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, whereby the board of directors may grant derogations insofar as they are in accordance with the aforementioned conditions and subject to a reasoned opinion from the remuneration committee.

Any permitted deviations will be explained in the remuneration report of the relevant financial year.

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

The (proposed) remuneration policy aims to adapt the previous remuneration policy of the Company dating from 2021 that was part of the remuneration report approved annually by the ordinary general

meeting, to the new requirements of article 7:89/1 of the Belgian Code of Companies and Associations and the Corporate Governance Code 2020.

In comparison with the previous remuneration policy, the following noteworthy changes were made:

- the relative weight of the various components of the remuneration of the members of the executive management board;
- an adjustment of certain short-term and long-term objectives.