

Report of the Board of Directors of Elia Group SA/NV
In accordance with section 7:155 CCA

Boulevard de l'Empereur 20
B-1000 Brussels
Enterprise number 0476 388 378 (RPM/RPR Brussels)
(hereinafter, the "*Company*")

Special Report of the Board of Directors drafted in accordance with section 7:155, second paragraph of the Code of companies and associations ("**CCA**") regarding the proposed amendments to the Company's articles of association and the associated (direct and indirect) effects on the rights attached to the three classes of shares of the Company, being class A, class B and/or class C (the "**Report**").

1 INTRODUCTION

At its meetings on 30 March 2023 and 6 April 2023, the Board of Directors decided to propose a number of amendments to the articles of association to the Extraordinary General Meeting.

This Report will be submitted to the Extraordinary General Meeting to be held on 16 May 2023 (or, if the required attendance quorum is not met, on 21 June 2023), which will decide on the proposed amendments to the articles of association.

Current representation of capital in three classes

The capital is set at a sum of EUR 1,833,613,152.60 and is represented by 73,515,839 shares without nominal value. The shares are divided into three classes, namely

- class A consisting of 1,836,054 shares,
- class B consisting of 38,838,953 shares, and
- class C consisting of 32,840,832 shares.

2 PROPOSALS TO AMEND THE ARTICLES OF ASSOCIATION

The proposals to amend the articles of association which (directly or indirectly) affect (or may affect) the rights attached to the three classes of shares of the Company are as follows:

a) Amendment of the articles of association in the context of aligning the governance structure with the needs of the Company

The Board of Directors proposes to the Extraordinary General Meeting to

- (i) Replace article 12.1, first and second sentences with the following sentence:

"The company is managed by a board of directors that is composed of twelve at least ten (10) and a maximum of fourteen (124) members who are appointed by the general meeting for a maximum of six (6) years and may be dismissed by it."

(ii) Amend article 12.4 as follows:

"12.4 Should one of more directorships fall vacant so that the board of directors temporarily counts less than ~~ten-twelve~~ (120) members, the board of directors may, pending co-option or appointment of (a) new director(s) in accordance with article 12.3, validly deliberate and adopt decisions with the number of members that the board of directors shall have at that time."

(iii) Amend article 13.2 As follows:

"13.2

13.2.1 As long as the class A Shares and the class C Shares, alone or together, represent more than 30 per cent of the share capital of the company, a number of directors (the "A Directors") shall be elected ~~from a list of candidates upon~~ proposaled byof the holders of class A Shares in accordance with article 4.6 and a number of directors (the "C Directors") shall be elected upon proposal of~~from a list of candidates proposed by~~ the holders of class C Shares in accordance with article 4.6, all in accordance with article 13.2.2.

13.2.2 The number of directors elected upon proposal of ~~from lists of candidates proposed by~~ each of the holders of class A Shares and the holders of class C Shares are determined in function of the proportion that the totals of each of the class A Shares and class C Shares bear to the total number of class A Shares and class C Shares combined. This number is determined as follows:

- ~~seven (7) directors if the percentage is greater than eighty-seven point five per cent (87.50%);~~
- six (6) directors if the percentage is greater than eighty-five point seventy-one seventy-five per cent (85,7175%) ~~but equal to or less than eighty-seven point five per cent (87.50%);~~
- five (5) directors if the percentage is greater than seventy-one sixty-two point forty-three five per cent (71,4362.50%) but equal to or less than eighty-five point seventy-one seventy-five per cent (85,7175);
- four (4) directors if the percentage is greater than fifty per cent (50%) but equal to or less than seventy-one point forty-three sixty-two point five per cent (71,4362.50);
- ~~four-three (43) directors chosen from a list of candidates proposed by upon proposal of~~ the holders of class C Shares and three (3) directors chosen ~~from a list of candidates proposed by upon proposal~~ the holders of class A Shares if the percentage is equal to fifty per cent (50%);
- ~~three (3) directors if the percentage is greater than or equal to thirty-seven point five per cent (37.50%) but less than fifty per cent (50%);~~
- two (2) directors if the percentage is greater than or equal to twenty-five eight point fifty-seven per cent (2528.57%) but less than ~~thirty-seven point fiftyve~~ per cent (37.50);
- one (1) director if the percentage is greater than or equal to twelve fourteen point five twenty-nine per cent (14.2942.50%) but less than twenty-five eight point fifty-seven per cent (28.5725%).

In the event that there should no longer exist either any class A Shares or any class C Shares, ~~sixseven (76)~~ directors will be elected ~~from a list of candidates proposed by~~upon proposal of the holders of the Shares of the other remaining class (being class A or C, as the case may be), providing always that the Shares of said remaining class represent more than 30 per cent of the share capital of the company.

For the purposes of calculating the ratio that the number of class A Shares or class C Shares, respectively, bears to the total number of class A Shares and class C Shares combined, two decimal places are taken into account, of which the second decimal place will be rounded up if the third decimal place is equal to or greater than five and rounded down if the third decimal place is less than five.”

(iv) Amend article 13.6 as follows:

“13.6 In the event that a directorship of a director appointed on the basis of articles 13.2.1 and 13.2.2 should fall vacant, the other members of the board of directors may make temporary provision to replace him by appointing a director ~~from a list of candidates put forward by~~upon proposal of the directors that were appointed ~~on~~upon proposal of the holders of the class of Shares who would, in view of the percentage of the class A Shares or the class C Shares, respectively, at that time, be entitled under article 13.2.2 to put forward a ~~list of~~ candidates for the directorship in question. If there are no (further) directors appointed ~~on~~upon proposal of the holders of the class of Shares that proposed the director whose office has fallen vacant, then the other directors may provide a replacement by appointing a director ~~on~~upon proposal made by the non-independent directors.”

b) Amendment of the articles of association in the context of merging the Nomination Committee and the Remuneration Committee into one new Nomination and Remuneration Committee

The Board of Directors proposes to the Extraordinary General Meeting to

(i) Amend article 13.3, first sentence as follows:

“The other directors are, after advice of the nomination and remuneration committee, appointed by the general meeting on the recommendation of the board of directors in accordance with the legal, regulatory and/or statutory stipulations and procedures.”

(ii) Amend article 13.5, first sentence as follows:

“In the event that an independent directorship or a directorship other than a director appointed on the basis of articles 13.2.1 and 13.2.2 should fall vacant, the remaining members of the board of directors, upon advice of the nomination and remuneration committee, shall make temporary provision to fill the post until the next general meeting, which will make a final appointment.”

(iii) Repeal article 14 so that it has no subject::

~~“14.1 [no subject]The board of directors sets up a nomination committee from its midst, composed of at least three (3) and a maximum of five (5) non-executive directors, of whom a majority shall be non-independent directors and at least one third shall be independent directors. Without prejudice to the legal responsibilities, this committee provides advice and support to the board of directors regarding the appointment of the directors, the CEO and the members of the executive committee.~~

~~14.2 The board of directors, in consultation with the nomination committee, draws up internal rules laying down the rules inter alia with respect to the functioning of the nomination committee and the manner in which it reports.”~~

(iv) Amend article 16 as follows:

“16.1 The board of directors sets up a **nomination and** remuneration committee from its midst, composed exclusively of at least three (3) and a maximum of five (5) non-executive directors, of whom the majority shall be independent directors and at least one third shall be non-independent directors. Without prejudice to the legal responsibilities, this committee is entrusted with

1° advising and supporting to the board of directors regarding the appointment of the directors, the CEO and the members of the executive committee;

2° drawing up recommendations to the board, in particular in respect of the remuneration policy and the remuneration of the members of the executive committee and the board of directors.

16.2 The board of directors, in consultation with the **nomination and** remuneration committee, draws up internal rules laying down the rules inter alia with respect to the functioning of the **nomination and** remuneration committee and the manner in which it reports.”

(v) Amend article 17.8, first sentence as follows:

“17.8 The board of directors shall, after obtaining the opinion of the **nomination and** remuneration committee, determine the conditions under which the members of the executive committee and the personnel are able, in whatever manner, to participate in the financial results of the aforementioned natural or legal persons or in the products or services sold or provided by the latter.”

3 JUSTIFICATION

The proposed amendments to the articles of association set out above (sub 2) have the following objectives:

(i) Adjusting the composition of the Board of Directors to the needs of the Company by **specifying that the Board of Directors comprises 12 directors.**

Under the current articles of association, the Board of Directors is composed of at least ten and a maximum of fourteen members. In implementation of this statutory provision, in practice the Board of Directors has for quite some time had fourteen directors, of which seven directors are appointed upon the proposal of the holders of class A and/or class C shares and the remaining seven directors are independent directors.

The Board of Directors is of the opinion that the number of directors of the Company can be reduced to 12 directors and that it is advisable to also lay down this exact number of directors in the articles of association.

In parallel with this proposal, it is also proposed in two subsidiaries of the Company, namely Elia Transmission Belgium SA/NV and Elia Asset SA/NV, to reduce the number of Board members from fourteen to twelve.

Following this amendment to the articles of association, the number of directors appointed upon the proposal of the holders of class A shares or class C shares is logically reduced from seven to six. By extension, the distribution key determining how many directors are appointed upon proposal of the holders of class A shares and upon proposal of the holders of class C shares, respectively, is also adjusted. The new distribution key is completed *mutatis mutandis* in the same manner as the old distribution key.

The new proposed composition of the Board of Directors thus has the effect that rights attached to class A and class C shares are amended.

(ii) Merging the Nomination Committee and the Remuneration Committee into one new Nomination and Remuneration Committee

The Board of Directors proposes to merge the Nomination Committee and the Remuneration Committee into one new Nomination and Remuneration Committee. This merger aims to make the governance of the Company more efficient and is in line with provision 4.20 of the Belgian Corporate Governance Code 2020. The new Nomination and Remuneration Committee will have both the powers exercised today by the Nomination Committee and the powers exercised today by the Remuneration Committee.

Since, under the current articles of association, the Nomination Committee must be composed of a majority of non-independent directors and the newly proposed Nomination and Remuneration Committee (in line with the CCA and with the Corporate Governance Code 2020) will be composed of a majority of independent directors, this merger has the effect of indirectly amending the rights attached to class A and class C shares.

4 CONCLUSION

In light of all the above, the Board of Directors is of the opinion that the proposed amendments to the articles of association are justified and in the best interests of the Company. The Board therefore proposes to the Extraordinary General Meeting of the Company to approve the proposed amendments to the Company's articles of association.

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Since the Report is not based on financial and accounting data, no review by the Company's statutory auditors is required.

The Board of Directors will make the present Report available to shareholders in a timely manner.

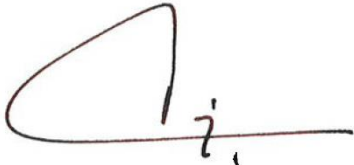
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Approved 6 April 2023

For the Board of Directors,



Bernard Gustin
President of the Board of Directors



Geert Versnick
Vice- President of the Board of Directors