

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014

THIS CONVOCAATION MEMORANDUM IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING IN RESPECT OF ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL, TAX OR LEGAL ADVISER.



Elia System Operator SA/NV

*incorporated with limited liability (naamloze vennootschap/société anonyme) in the Kingdom of Belgium
Enterprise number 0476.388.378 – RPR Brussels
(the Issuer or Elia Group)*

**CONVOCAATION MEMORANDUM TO
GENERAL MEETING OF NOTEHOLDERS**

The board of directors of the Issuer has the honour to invite the holders of the €300,000,000 1.50 per cent. Notes due 5 September 2028 of the Issuer (the **Notes**) to attend a general meeting of such Noteholders to be held on 30 October 2019 at the offices of the Issuer at Keizerslaan 20, Brussels 1000, Belgium (the **Meeting**) in order to deliberate and decide on the resolution (the **Extraordinary Resolution**) described in paragraph 3 below in the context of the proposed waiver of certain potential events of default under the terms and conditions of the Notes in connection with the proposed reorganisation of the Issuer and its group.

The Meeting will commence at 10.30 a.m. (Central European Time). In this Convocation Memorandum, unless a contrary indication appears, terms used in the terms and conditions of the Notes (the **Conditions**) or the Extraordinary Resolution, as applicable, have the same meaning and construction.

Description of the Notes	ISIN / Common Code	Outstanding nominal amount
€300,000,000 1.50 per cent. Notes due 5 September 2028	BE0002596741 / 187607051	€300,000,000

1. BACKGROUND TO THE PROPOSAL

The Issuer has convened the Meeting for the purpose of Noteholders considering and, if thought fit, passing the Extraordinary Resolution proposed by the Issuer (the **Proposal**), with any approval of the Proposal being subject to satisfaction of the conditions (together the **Consent Conditions**) described in paragraph 3 of the Extraordinary Resolution.

1 Background information

1.1 Objectives of the internal reorganisation

Elia Group has decided to implement an internal reorganisation aimed at ring-fencing its regulated activities in Belgium, namely the ownership and operation of the high and very high voltage electricity transmission system in Belgium (including its stake in Nemo Link¹), including the indebtedness raised for this purpose (the **Belgian regulated activities**) from its unregulated activities and its regulated activities carried out outside Belgium (the **unregulated activities and regulated activities carried out abroad**), including the related underlying fund flows and indebtedness (see Section 2.2.2).

¹ Under Article 9bis of the Law of 29 April 1999 on the organisation of the electricity market, the system operator must own, directly or indirectly, at least half of the capital and voting rights attached to the securities issued by a subsidiary responsible for developing, maintaining and owning the infrastructure and equipment forming part of an offshore interconnection (i.e. Nemo Link Ltd.).

The Reorganisation will allow the Group to further implement its investment strategy, in particular following the application of the new tariff methodology as of 2020.

The new tariff methodology for 2020-2023 provides, amongst others things, that the financing of unregulated activities² of Elia Group is valued at conditions equivalent to financing that would be fully covered by equity capital. By achieving a ring-fencing of the Belgian regulated activities from the unregulated activities and regulated activities carried out abroad, the Reorganisation will avoid the risk of cross-subsidy between, on the one hand, Belgian regulated activities and, on the other hand, unregulated activities and regulated activities carried out abroad and, as a result, prevent any adverse financial impact of the new tariff methodology on investments in unregulated activities and regulated activities carried out abroad as of 2020.

Hence, the Reorganisation will provide the Group with a suitable framework for future investments in both Belgian regulated activities as well as unregulated activities and regulated activities carried out abroad, in line with its strategy.

As part of its Belgian regulated activities, the Group plans to invest EUR 2.2 billion in the Belgian regulated entity over the next five years. In Belgium, organic growth will come from the development of the 30kV to 380kV transmission systems, with a view mainly to accommodate the growth of renewable energies (e. g. the Modular Offshore Grid project), to increase interconnections and to carry out a renewal of part of the existing infrastructure at the end of its technical life.

The Nemo Link interconnection, linking the Belgian and British transmission systems and the Alegro interconnection, linking Belgium to Germany for the first time, are crucial for the integration of the European power system and the development of the Group.

As part of its regulated activities outside Belgium, the Group plans to invest EUR 3.4 billion in Germany over the next five years. In Germany, the ongoing energy transition (Energiewende), also supported by the increase in the renewable energy production targets (from 55% to 65%) set by the new German government by 2030, will encourage additional investments by 50 Hertz.

These investment plans of the two transmission system operators of the Group will enable the Group to achieve its objective of successfully integrating the national electricity systems in Europe, so as to integrate ever-increasing volumes of renewable energy production and to further develop European interconnections.

The Group's ambition is to become the leader in the energy sector in the countries where it operates and the leading transmission system operator in Europe.

The development of the Group through the possible acquisition of other transmission system operator activities in Europe, if this should occur, will also be facilitated by the implementation of the Reorganisation.

1.2 Implications of internal reorganisation

The Reorganisation involves transforming Elia Group, the current transmission system operator (**TSO**), into a holding company listed on the stock exchange. This holding company will hold stakes in various subsidiaries, including a new subsidiary that will take over the Belgian regulated activities, Elia Transmission Belgium, but also in other subsidiaries such as Eurogrid International (comprising the activities of 50Hertz, the German TSO) or Elia Grid International (**EGI**), the Group's consultancy branch. Elia Transmission Belgium, the entity taking over the Belgian regulated activities, will then be designated as the Belgian TSO at federal and regional level.

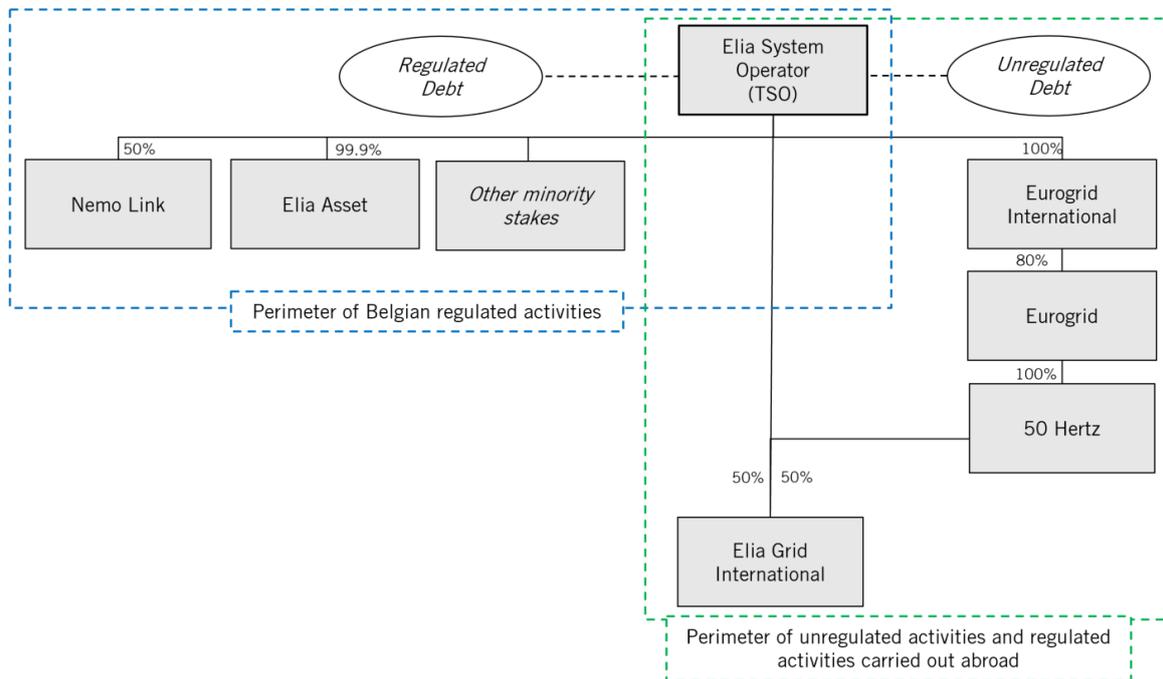
Elia Group is working towards carrying out this Reorganisation, including obtaining the effective designations of Elia Transmission Belgium as TSO at federal and regional level, by 31 December 2019. The Reorganisation is scheduled to take effect as from 31 December 2019 just prior to midnight (see Section 2.2.2). If the formal decisions by the competent authorities to designate Elia Transmission Belgium as the national TSO and regional (local) TSO in each of the Regions would not have been obtained and would not have been effective on that date, a temporary contractual framework could be put in place between Elia Group and Elia Transmission Belgium to enable the latter to operate the national and regional (local) transmission systems as

² The tariff methodology defines unregulated activities as unregulated if they are regulated abroad or if they are not regulated.

a subcontractor³, as soon as the regulated activities have been transferred to it (see Sections 2.2.3 and 4.3, pending such designation).

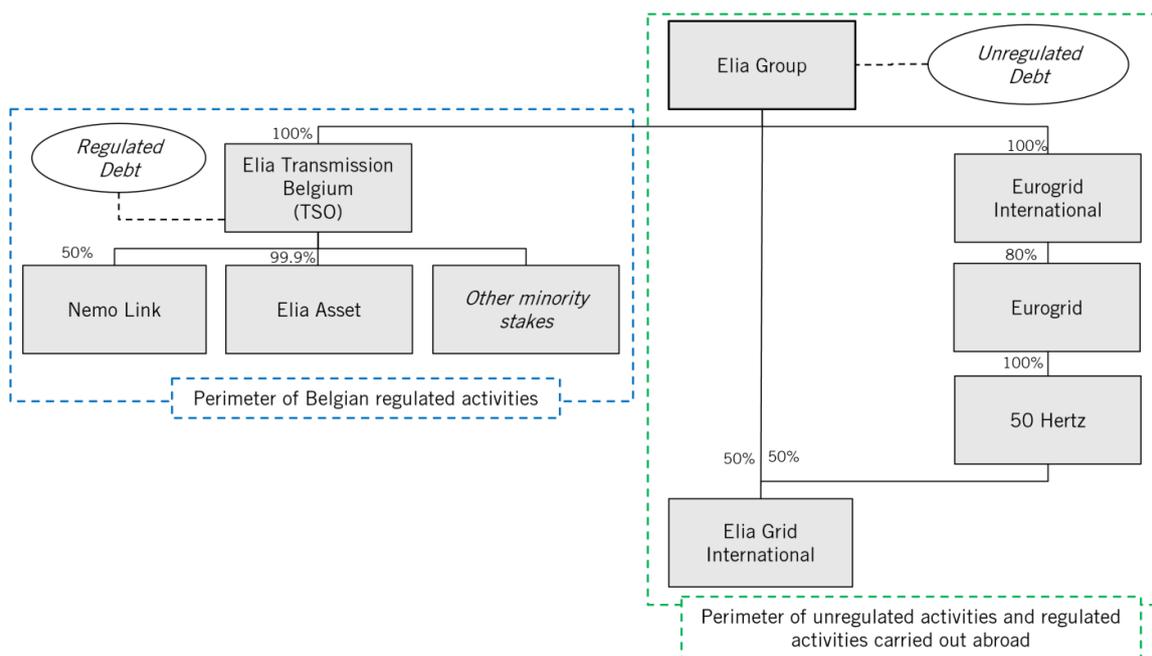
The following organisational charts represent the structure of the Group before and after the Reorganisation:

- **Structure before the Reorganisation**



³ It could be envisaged that such subcontracting, based on Article 9bis, §1, 1st paragraph, 1° of the law of 29 April 1999 on the organisation of the electricity market (the **Electricity Law**), be structured as a “tripartite” silent partnership between ESO, Elia Transmission Belgium and Elia Asset, the three entities acting as one economic unit (as ESO and Elia Asset already do today).

- **Structure after the Reorganisation⁴**



This Convocation Memorandum contains a general description of the Reorganisation and the conditions for its implementation.

2 Description of the Reorganisation

2.1 Elia Transmission Belgium

Elia Transmission Belgium, the wholly-owned subsidiary of Elia Group to which all Belgian regulated activities will be transferred as part of the Reorganisation and which will be designated as the new TSO at federal and regional level has been incorporated on 31 July 2019 by Elia Group and Publi-T SCRL, in the form of a limited liability company (*société anonyme / naamloze vennootschap*).

Elia Transmission Belgium's seat is located at Boulevard de l'Empereur 20, 1000 Brussels.

Elia Transmission Belgium will not be listed on the stock exchange, unlike Elia Group.

2.2 Legal steps

2.2.1 Elia Group shareholder approval

The approval by the shareholders' meeting of Elia Group of the transfer by Elia Group of its shares in Elia Asset SA/NV (**Elia Asset**) to Elia Transmission Belgium, in accordance with Article 17.2 of Elia Group's articles of association, after receiving the opinion of the CREG on the proposed transfer, in accordance with Article 28.2.3 of Elia Group's articles of association. A shareholders' meeting has been convened to that effect to take place on 8 November 2019.

2.2.2 Reorganisation

(a) The transfer by Elia Group of all its shares in Elia Asset to Elia Transmission Belgium through:

⁴ Assuming that Elia Transmission Belgium has obtained all designations as TSO by 31 December 2019. Otherwise, Elia Group will continue to be the TSO during an interim period (see Section 4.3).

- (i) on the one hand, a sale by Elia Group of part of its shares in Elia Asset to Elia Transmission Belgium for an amount of EUR 2.092 billion against a vendor loan on the part of Elia Group; and
 - (ii) on the other hand, a contribution of the remainder of the shares in Elia Asset to the capital of Elia Transmission Belgium in exchange for shares newly issued by Elia Transmission Belgium for an amount of EUR 1.212 billion.
- (b) The payment by Elia Transmission Belgium of the vendor loan resulting from the purchase of the shares in Elia Asset (step (b)(i)) by taking over the debt related to Elia Group’s Belgian regulated activities for an amount equivalent to the sale price of the Elia Asset shares (i.e. EUR 2.092 billion); and
 - (c) The contribution by Elia Group of its business division (*branche d’activité / bedrijfstak*) to Elia Transmission Belgium’s capital, which consists of all the assets and liabilities dedicated to its Belgian regulated activities⁵, excluding the Elia Asset shares which are the subject of a separate transfer (step (b)) and excluding the debt related to the Belgian regulated activities of Elia Group which has been the subject of a separate transfer (see step (b) above). This operation will result in an increase in the capital of Elia Transmission Belgium and the issue of new shares of Elia Transmission Belgium to Elia Group.

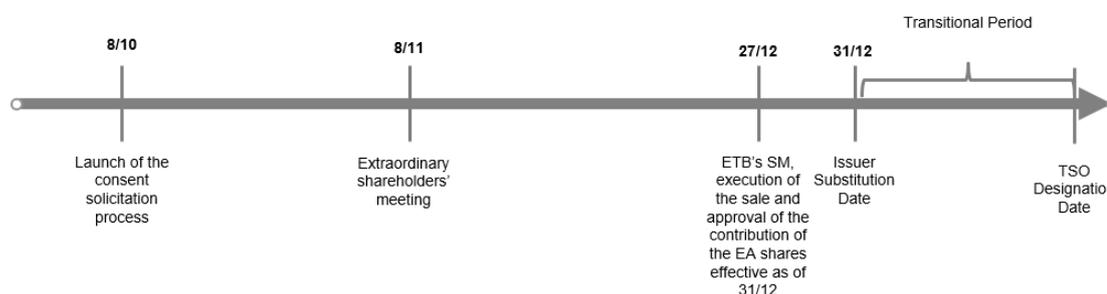
Steps (a) to (c) included constitute the “Reorganisation” and are scheduled to be implemented on or about 27 December 2019 and to take effect as from 31 December 2019 just prior to midnight.

2.2.3 TSO designation

The designation of Elia Transmission Belgium as national TSO and regional (local) TSO in each of the Regions, replacing Elia Group.

In the event that one or more of the designations referred to in Section 2.2.3 above would become effective after the Issuer Substitution Date, Elia Group will subcontract the operation of the transmission system to Elia Transmission Belgium as part of a “tripartite” silent partnership with Elia Group and Elia Asset, pursuant to Article 9bis, §1, 1st paragraph, 1° of the Electricity Law, during the period between the Issuer Substitution Date (currently expected to be 31 December 2019, just prior to midnight) and the TSO Designation Date⁶ (the **Transitional Period**). Consequently, the regulated activities would, in such case, be carried out by Elia Transmission Belgium as from the Issuer Substitution Date, either as the designated TSO in its own right or as a subcontractor of the designated TSO during the Transitional Period (and as the designated TSO in its own right as soon as all designations are obtained).

The contemplated timeline is as follows:



⁵ This contribution includes in particular all employees, commercial contracts relating to access to the electricity system, receivables and debts directly related to the said activity. This contribution is fully remunerated in shares newly issued by Elia Transmission Belgium. This contribution constitutes a contribution of a business division (*branche d’activité/ bedrijfstak*) within the meaning of Article 679 of the Belgian Company Code.

⁶ Assuming that the designations as regional (local) TSO in each of the three Regions will be obtained at the latest and will become effective at the time of designation as national TSO.

2.3 Conditions to the Reorganisation

The Reorganisation will only be carried out if:

- (a) an advance favourable ruling has been obtained from the Office for Advance Tax Rulings⁷;
- (b) Elia Transmission Belgium may be eligible for the designation as the TSO at federal level;
- (c) the shareholders' meeting of Elia Group approves the transfer of the Elia Asset shares, in accordance with Articles 17.2 and 28.2.3 of Elia Group's articles of association scheduled for 8 November 2019; and
- (d) certain creditors of Elia Group's financing give their consent.

It is currently expected that all these conditions will be met on 31 December 2019. Elia Group may in its sole discretion waive any of these conditions.

However, the completion of the Reorganisation will not be subject to the formal decisions of the competent authorities to designate Elia Transmission Belgium as national TSO and regional (local) TSO in each of the Regions. If, by 31 December 2019, Elia Transmission Belgium has not been formally and effectively designated as national TSO and regional (local) TSO in each of the Regions, the operation of the electricity transmission system could be carried out by Elia Transmission Belgium as a subcontractor within the framework of a "tripartite" silent partnership with Elia Group and Elia Asset, pursuant to Article 9bis, §1,1st paragraph, 1° of the Electricity Law, during the Transitional Period as set out below (see Section 4.3).

3 Financial consequences of the Reorganisation

The transfer of Elia Group's Belgian regulated activities to Elia Transmission Belgium is scheduled to become effective on 31 December 2019 just prior to midnight (see Section 2.2.3).

The section "*Unaudited Pro Forma Financial Information*" in this Convocation Memorandum gives an unaudited pro forma presentation of the condensed consolidated statement of the financial position of Elia Group and Elia Transmission Belgium as at 30 June 2019, assuming the Reorganisation had been completed on 30 June 2019.

After the Reorganisation, the consolidated financial statements of Elia Group and Elia Transmission Belgium will be prepared in accordance with IFRS accounting standards.

4 Regulatory treatment

4.1 Absence of certification of Elia Transmission Belgium

The CREG confirmed, after notification of the transaction by Elia, that no formal certification procedure as system operator with respect to Elia Transmission Belgium should be initiated as part of the Reorganisation.

4.2 Designation

At federal level, the designation of Elia Transmission Belgium as a TSO will be decided by the Federal Minister of Energy, after consulting with the CREG and deliberating in the Council of Ministers.

⁷ A ruling request has been submitted by ESO to the Belgian Ruling Commission to obtain certain confirmations concerning the tax treatment of the Reorganisation. A favourable ruling was obtained on 18 June 2019. Certain other aspects of the Reorganisation (i.e. the impact on the qualification as a business division due to ESO remaining designated as the national TSO and regional (local) TSO in each of the Regions during the Transitional Period, if applicable (see above), and the tax effectiveness of the accounting retroactivity) will be covered by a separate ruling request, which was submitted on 9 September 2019 to the Ruling Commission. The decision is expected before 31 December 2019.

At regional level, the designation of Elia Transmission Belgium as regional (local) TSO will automatically be obtained in the Walloon Region following the designation as TSO at federal level⁸; it will be decided by the VREG⁹ for the Flemish Region and by the Brussels Government for the Brussels Capital Region.

The request for designation has been made, if necessary, to the competent authorities. Since the law does not provide for any specific time limit for obtaining formal designation decisions neither at federal nor at regional level, the moment at which they will be obtained cannot be determined in advance.

In the event that the designation as national TSO¹⁰ would not become effective by 31 December 2019 at midnight, Elia Transmission Belgium could temporarily operate the transmission system as a subcontractor within the framework of a “tripartite” silent partnership with Elia Group and Elia Asset, pursuant to Article 9bis, §1, 1st paragraph, 1° of the Electricity Law, during the Transitional Period, so that it can start operating the transmission system, acting as one economic unit with Elia Asset and Elia Group, the latter remaining the national TSO and regional (local) TSO in each of the Regions during the Transitional Period as defined above (see Section 2.20).

While the Electricity Law provides an explicit legal basis for subcontracting as described in the previous paragraph, the financial arrangements between the three entities during the Transitional Period will have to be detailed in a “tripartite” silent partnership agreement as set out below (see Section 4.3). The tariff methodology provides for the consolidation of the balance sheets of the entities operating the system (currently Elia Group and Elia Asset) for the purpose of calculating the tariffs. Assuming that the CREG accepts the consolidation of the balance sheets of Elia Group and Elia Transmission Belgium for the calculation of the tariffs as from 1 January 2020, any fund flows between Elia Group, Elia Asset and Elia Transmission Belgium during the Transitional Period, in accordance with the “tripartite” silent partnership agreement, would be neutral from a tariff perspective.

When Elia Transmission Belgium’s designations as national TSO and regional (local) TSO in each of the Regions become effective, Elia Group will lose its existing designations as national TSO and regional (local) TSO respectively¹¹ and the subcontracting of the system operation will be terminated.

4.3 Subcontracting – “tripartite” silent partnership

As indicated above, if the formal decision to designate Elia Transmission Belgium as national TSO does not become effective before the Issuer Substitution Date, Elia Transmission Belgium could operate the transmission system as a subcontractor within the framework of a “tripartite” silent partnership with Elia Group and Elia Asset, pursuant to Article 9bis, §1, 1st paragraph, 1° of the Electricity Law, during the Transitional Period. Elia Transmission Belgium would then hold, from the moment of the implementation of the Reorganisation, the Belgian regulated activities excluding the formal designations, until the date at which all decisions of the competent authorities designating Elia Transmission Belgium as national TSO and (local) regional TSO in each of the Regions have been obtained and have become effective.

The notion of “subcontracting” in this context refers to the situation in which Elia Transmission Belgium would carry out its operations as a subsidiary of Elia Group, operating as one single economic unit in coordination with the designated TSO (and the asset owner), on the basis of a temporary contractual framework. To this end, it is envisaged that Elia Group, Elia Transmission Belgium and Elia Asset would enter into a “tripartite” silent partnership agreement detailing the financial and contractual arrangements required among them during the Transitional Period. Amongst other things, this agreement would set out an allocation of resources contributed by each entity to the partnership and a division of tasks and legal representation powers between the three entities¹² (in the same way as the simple silent partnership agreement currently in place between Elia Group and Elia Asset). The purpose of the partnership would be to allow Elia

⁸ The national TSO will automatically be designated as local TSO in Wallonia, without the need for a formal decision by the CWaPE (the “*Commission wallonne pour l’Energie*”, the official regulatory body for the Walloon electricity and gas markets). However, a notification will have to be made.

⁹ The “*Vlaamse Regulator van de Elektriciteits- en Gasmarkt*”, the Flemish regulator of the electricity and gas market.

¹⁰ See footnote 6.

¹¹ Assuming that each decision to designate Elia Transmission Belgium will also stipulate that the current corresponding designation of ESO will end at the time the designation of Elia Transmission Belgium becomes effective.

¹² Which for Elia Transmission Belgium will include entering into all relevant agreements with network users and invoicing them for the network services provided by it, and for which it will act in its own name and for the account of the partnership.

Transmission Belgium as the company holding (together with Elia Asset) all the regulated assets and resources following completion of the Reorganisation, to utilise those assets and resources in order to perform the operation of the transmission system during the Transitional Period, and to allocate the resulting profits and losses among the partners in a way that reflects the economic reality.

Once Elia Transmission Belgium has obtained the formal decisions of designation as TSO at each level, Elia Group would withdraw from the “tripartite” silent partnership agreement, which would then continue to exist as a simple silent partnership between Elia Transmission Belgium and Elia Asset (see Section 5.3).

5 Shareholding and Governance

5.1 Governance of Elia Transmission Belgium

Elia Transmission Belgium’s governance structure is a replica of the governance currently in place within Elia Group. As a result, the governance structure of Elia Transmission Belgium complies with the requirements of the Electricity Law and all applicable regional legislation.

The Electricity Law provides for specific governance conditions that will apply to Elia Transmission Belgium at the latest as from its designation as national TSO and will cease to apply to Elia Group as from the same date, including:

- only non-executive directors may be appointed;
- at least half of the directors must be independent and must be appointed partly for their financial management knowledge and partly for their useful technical knowledge;
- the CREG must give a uniform opinion on the independence of the independent directors;
- an audit committee, a remuneration committee and a governance committee must be constituted, all of which must consist of a majority of independent directors;
- an executive committee within the meaning of Article 524bis of the Belgian Company Code must be created;
- the board of directors must consist of at least one-third members of the opposite sex; and
- a linguistic balance must be achieved within the members of the board of directors and within the members of the executive committee.

In addition, pursuant to Article 9bis of the Electricity Law, the board of directors and the executive committee of the TSO must consist of the same members as the board of directors and the executive committee of the subsidiary of the TSO that owns the infrastructure and equipment constituting the transmission system (i.e. Elia Asset).

5.2 Elia Group Governance

As a result of the Reorganisation, Elia Group will become a “standard” company, i.e. not subject to the Electricity Law, and will be officially renamed “Elia Group”. Elia Group will remain listed on the stock exchange and therefore subject to the obligations of listed companies, in particular with regard to governance¹³.

New articles of association of Elia Group will enter into force on the TSO Designation Date.

The main principles that are proposed by the board of directors to the shareholders’ meeting of 8 November 2019 are as follows:

¹³ Elia Group will also have to continue to comply with the requirements relating to the certification of the candidate TSO as a fully ownership unbundled (FOU) TSO, as controlling shareholder of Elia Transmission Belgium in Belgium and 50 Hertz Transmission in Germany.

- the board of directors of Elia Group will consist of a minimum of 10 and a maximum of 14 directors, including (i) seven non-independent directors appointed on the proposal of the holders of A and C shares, insofar as the classes A and C shares of the future holding company represent more than 30% of its capital and (ii) a maximum of seven other directors, including at least three independent directors who will be appointed by the shareholders' meeting on the recommendation of the board of directors, after consulting the nomination committee;
- decisions of the board of directors will be taken by a simple majority;
- Elia Group will opt for a one-tier structure. The board of directors will set up a college in charge of day-to-day management;
- the board of directors will set up three advisory committees, namely the audit committee, the remuneration committee and the nomination committee, and may also set up a strategy committee as an additional advisory committee; the (additional) requirements of the Electricity Law concerning advisory committees will therefore not be included in the articles of association. Notwithstanding the Corporate Governance Code, the nomination committee will consist of a majority of non-independent directors and at least one third of independent directors.

5.3 Silent partnership

A silent partnership agreement currently exists between Elia Group and Elia Asset concerning the operation of Belgian regulated activities. As part of the Reorganisation, a new (simple) silent partnership agreement (*stille maatschap / société simple interne*) will be concluded between Elia Transmission Belgium and Elia Asset, to ensure compliance with the certification requirements in terms of the ownership of the transmission system held by the TSO.

In addition, if the designation of Elia Transmission Belgium as the national TSO and/or regional (local) TSO in each of the Regions would not have been obtained and become effective by 31 December 2019 at midnight, a "tripartite" silent partnership agreement will be concluded during the Transitional Period. Once Elia Transmission Belgium has been designated as TSO at each level, Elia Group will withdraw from the "tripartite" silent partnership agreement, which will continue to exist as a simple silent partnership between Elia Transmission Belgium and Elia Asset (see Section 4.3 above).

6 Status of funding raised by Elia Group

The indebtedness allocated to the Belgian regulated activities (including the EMTN bonds (as defined below), the regulated bank debt and shareholder loans) for a total nominal amount of EUR 3.155 billion will be transferred to Elia Transmission Belgium, together with the assets related to these activities.

The Notes and the EUR 700 million hybrid bonds (the **hybrid bonds**) (which were issued to acquire an additional 20% stake in Eurogrid International) constitute a debt allocated to unregulated activities and regulated activities carried out abroad and will therefore remain at Elia Group's level.

For the purposes of the Reorganisation, the terms of the various financial arrangements, both Belgian regulated and unregulated, other than hybrid bonds, will have to be modified. For outstanding bonds, a formal process for the solicitation of the bondholders' consent will be organised, with the holding of bondholders' meetings and the obtaining of certain predefined quorums and majorities. Please refer to the proposed Extraordinary Resolution below for an overview of the proposed waivers of the rights under the Notes. The holders of each series of EMTN bonds will be requested to approve (i) the substitution of Elia Group by Elia Transmission Belgium SA/NV (**Elia Transmission Belgium**) as issuer, (ii) if Elia Transmission Belgium has not been designated as the national TSO in Belgium by the federal Energy Minister and as regional or local TSO in each of the three Belgian Regions by the competent regional authorities (the **TSO Designation Date**) on or before the Asset Transfer Date, the giving of a temporary guarantee by Elia Group in respect of Elia Transmission Belgium's obligations under the EMTN bonds as of the Asset Transfer Date until the TSO Designation Date, and (iii) certain consequential changes to and waivers of the terms and conditions of each series of EMTN bonds. For bank loans and shareholder loans, bilateral negotiations will be initiated with the various creditors.

7 Ratings

The Issuer expects S&P to affirm its issuer credit rating at BBB+ following the implementation of the Reorganisation.

The Issuer also expects S&P to downgrade the current BBB+ issue ratings on the Notes by one notch to BBB, if the Proposal and the relevant proposals for the EMTN bonds are approved and implemented, reflecting the increased risk of structural subordination.

The Issuer expects S&P to affirm the current BBB- issue ratings on the hybrid bonds following the implementation of the Reorganisation.

The Issuer does not expect the current BBB+ issuer credit rating assigned by S&P on its subsidiary Eurogrid GmbH to change as a result of the Reorganisation.

There are, however, no assurances that such ratings will remain the same for any given period or that either rating will not be lowered by S&P if, in its judgment, circumstances in the future so warrant. A decision by any rating agency to downgrade or withdraw its rating of the Notes and/or the Issuer, could impact the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the rating agency. Similar ratings for different types of issuers and on different types of securities do not necessarily mean the same thing. The significance of each rating should be analysed independently from any other rating.

8 Separate consent exercise announced by the Issuer on the date of this Convocation Memorandum in respect of the EMTN bonds

In connection with the Reorganisation, Elia Group also announced on or around the date of this Convocation Memorandum a separate consent exercise in relation to six series of its EMTN bonds allocated to the Belgian regulated activities (the **EMTN bonds**) inviting eligible holders of each series of the EMTN bonds to consent to, among other things, the substitution of Elia Transmission Belgium in place of Elia Group as the issuer and, if the TSO Designation Date has not occurred on or prior to the Asset Transfer Date, the giving of a temporary guarantee by Elia Group as of the Asset Transfer Date to the TSO Designation Date and certain consequential waivers and changes to the terms and conditions of each series of EMTN bonds. That consent exercise is not the subject of this Convocation Memorandum.

*Nothing in this Convocation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to sell any series of the EMTN bonds in the United States or any other jurisdiction. No series of the EMTN bonds has been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and no series of the EMTN bonds may be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.*

9 Unaudited Pro Forma Financial Information

The unaudited pro forma financial information consisting of the statement of the financial position (pro forma financial information) and accompanying notes has been prepared as if the restructuring had occurred on 30 June 2019 and is based on the “condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019”. The pro forma financial information only relates to the statement of the financial position. A profit and loss statement as at 30 June 2019 has not been included in the pro forma financial information, as the pro forma financial information has the goal of reflecting the impact on the balance sheet of the transfer of the assets and liabilities related to the regulated business to the new entity Elia Transmission Belgium.

The pro forma financial information is presented for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent Elia Group (i.e. Elia System Operator SA/NV) or Elia Transmission Belgium’s actual financial situation.

The pro forma financial information should be read in conjunction with the historical condensed consolidated interim financial statements of the Elia Group as at and for the six months ended 30 June 2019.

The historical condensed consolidated interim financial statements of the Elia Group as at and for the six months ended 30 June 2019 were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and as adopted by the European Union.

Pro Forma Financial Information – Condensed consolidated statement of financial position

- (A) Historical condensed consolidated interim financial statements of the Elia Group as at and for the six months ended 30 June 2019.
 - (1) Reversal of segment ‘50Hertz Transmission (Germany)’, as per 30 June 2019
 - (2) Reversal of segment ‘Non-regulated activities (incl. Nemo Link)’ as per 30 June 2019
 - (3) Intercompany eliminations
 - (4) Adjustment related to the Nemo Link activities and the split of working capital items related to the regulated business
- (B) Pro Forma Financial Information

	Elia Group (consolidated)	50Hertz Transmission (Germany)	Non-regulated activities (incl. Nemo Link)	Elimination of intercompany balances / transactions	Adjustments to include Nemo Link	Elia Transmission Belgium (Consolidated)
EUR million	Historical financial information (A)	(1)	(2)	(3)	(4)	(B)
	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019		
ASSETS						
NON CURRENT ASSETS	11.708,1	(4.982,7)	(1.585,6)	553,4	327,1	6.020,3
Property, plant and equipment	8.768,9	(4.895,7)	(6,3)	0,0	6,1	3.873,0
Intangible assets and goodwill	2.501,6	(56,3)	(0,0)	(703,3)	0,0	1.742,0
Non-current tax receivables	0,0	0,0	0,0	0,0	0,0	0,0
Trade and other receivables	3,6	(0,0)	(0,0)	0,0	(0,0)	3,6
Investments in subsidiaries	0,0	0,0	(1.256,7)	1.256,7	0,0	0,0
Equity-accounted investees	340,8	0,0	(322,1)	0,0	321,2	339,9
Other financial assets (including derivatives)	86,9	(27,5)	0,0	0,0	(0,0)	59,4
Deferred tax assets	6,3	(3,2)	(0,5)	0,0	(0,1)	2,4
CURRENT ASSETS	2.420,2	(1.695,9)	(153,6)	15,4	(62,9)	523,2
Inventories	19,5	(5,1)	(0,3)	0,0	0,0	14,1
Trade and other receivables	457,3	(171,1)	(16,1)	3,7	1,0	274,7
Current tax assets	3,6	(0,1)	(12,2)	11,8	0,0	3,1
Cash and cash equivalents	1.922,2	(1.512,8)	(124,8)	0,0	(64,1)	220,5
Deferred charges and accrued revenues	17,6	(6,8)	(0,3)	0,0	0,2	10,8
Total assets	14.128,3	(6.678,6)	(1.739,3)	568,9	264,3	6.543,5
EQUITY AND LIABILITIES						0
EQUITY	4.183,5	(1.454,1)	(1.184,4)	553,4	52,7	2.151,1
Equity attributable to owners of the Company	3.176,5	(1.454,1)	(494,6)	870,7	52,7	2.151,1
Hybrid securities	715,8	0,0	(715,8)	0,0	0,0	0,0
Non-controlling interest	291,2	0,0	26,0	(317,2)	0,0	0,0
NON CURRENT LIABILITIES	6.883,1	(3.171,6)	(517,0)	0,0	218,6	3.413,1
Loans and borrowings	6.351,4	(2.877,6)	(513,0)	0,0	215,2	3.175,9
Employee benefits	122,6	(21,0)	(0,6)	0,0	0,0	101,1
Derivatives	6,0	0,0	0,0	0,0	0,0	6,0
Provisions	91,3	(74,9)	0,0	0,0	0,0	16,4
Deferred tax liabilities	95,4	(74,0)	(3,4)	0,0	3,4	21,5
Other liabilities	216,3	(124,1)	0,0	0,0	0,0	92,3
CURRENT LIABILITIES	3.061,7	(2.053,0)	(37,8)	15,4	(7,1)	979,3
Loans and borrowings	56,8	(30,8)	(0,3)	0,0	(0,3)	25,4
Provisions	16,7	(13,5)	0,0	0,0	0,0	3,2
Trade and other payables	1.918,6	(1.500,0)	(37,1)	3,7	3,2	388,5
Current tax liabilities	44,0	(34,4)	(0,3)	11,8	(3,5)	17,5
Accruals and deferred income	1.025,4	(474,3)	(0,1)	0,0	(6,5)	544,5
Total equity and liabilities	14.128,3	(6.678,6)	(1.739,3)	568,9	264,3	6.543,5

Notes to Pro Forma Financial Information

Note 1. Basis of preparation

(a) *General information*

The 30 June 2019 pro forma financial information is based on the assumption that the Reorganisation was completed on 30 June 2019.

The pro forma financial information is presented for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent Elia Group's or Elia Transmission Belgium's actual financial position.

The pro forma financial information has been prepared by Elia Group in a manner consistent with the accounting policies adopted by Elia Group in its last historical financial statements. The pro forma financial information has not been subject to any audit, review or other procedures by Elia Group's auditors.

(b) *Base of the Pro Forma Financial Information*

The historical condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019 (approved by the Board of Directors of Elia Group on 25 July 2019) are the basis for the preparation of the pro forma financial information (see column A).

These historical condensed consolidated interim financial statements consist of three segments.

- Segment "Elia Transmission (Belgium)", which comprises the activities based on the Belgian regulatory framework: the regulated activities of Elia Group, Elia Asset NV/SA, Elia Engineering NV/SA, Elia Re SA, HGRT SAS, Coreso NV/SA, Ampacimon SA and Enervalis NV, whose activities are directly linked to the role of Belgian transmission system operator.
- Segment "50Hertz Transmission (Germany)", which comprises the activities based on the German regulatory framework: Eurogrid GmbH, 50Hertz Transmission GmbH and 50Hertz Offshore GmbH, whose activities are directly linked to the role of transmission system operator in Germany
- Segment "Non-regulated activities (incl. Nemo Link)", comprising:
 - o Eurogrid International CVBA;
 - o The non-regulated activities of Elia Group, Elia Asset NV/SA and Elia Engineering NV/SA. 'Non-regulated activities' refers to activities which are not directly related to the role of TSO;
 - o The most substantial of these are:
 - the holding activities in the "50Hertz Transmission (Germany)" segment; and
 - the holding activities in Nemo Link Ltd. This company comprises and manages the Nemo project, which connects the UK and Belgium using high-voltage electricity cables, enabling power to be exchanged between the two countries.
 - EGI (Elia Grid International NV/SA, Elia Grid International GmbH and Elia Grid International LLC), companies supplying specialists in consulting, services, engineering and procurement, creating value by delivering solutions based on international best practice while fully complying with regulated business environments.

Post Reorganisation, the condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019 will remain unchanged. Elia Transmission Belgium will set up separate consolidated financial statements taking into account the scope of consolidation set out below.

The table below provides an overview of subsidiaries, joint ventures, associated companies and other shareholdings held across Elia Group as reported in the condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019, and the new scope of consolidation for Elia Group and Elia Transmission Belgium post reorganisation.

Name	Country of establishment	As reported 30 June 2019	pro forma post Reorganisation	
		Elia Group	Elia Group	Elia transmission Belgium
		Shareholding (%) 2019	2019	2019
Elia Transmission Belgium SA	Belgium	N/A	99,99	N/A
Elia Asset SA	Belgium	99,99	99,99	99,99
Elia Engineering SA	Belgium	100,00	100,00	100,00
Elia Re SA	Luxembourg	100,00	100,00	100,00
Elia Grid International SA	Belgium	90,00	90,00	N/A
Elia Grid International GmbH	Germany	90,00	90,00	N/A
Elia Grid International LLC	Qatar	90,00	90,00	N/A
Elia Grid International PTE. LTD.	Singapore	90,00	90,00	N/A
Eurogrid International SA	Belgium	100,00	100,00	N/A
Eurogrid GmbH	Germany	80,00	80,00	N/A
50Hertz Transmission GmbH	Germany	80,00	80,00	N/A
50Hertz Offshore GmbH	Germany	80,00	80,00	N/A
Joint ventures				
Nemo Link Ltd	United Kingdom	50,00	50,00	50,00
Associated companies accounted for using the equity method				
H.G.R.T S.A.S.	France	17,00	17,00	17,00
Coreso NV/SA	Belgium	22,16	22,16	15,84
Ampacimon SA	Belgium	20,54	20,54	20,54
Enervalis NV	Belgium	12,47	12,47	12,47
Other shareholdings				
JAO SA	Luxembourg	8,28	8,28	4,6

Note 2. Pro forma adjustments

The Reorganisation contains the contribution of the regulated business in Belgium from Elia Group to Elia Transmission Belgium. Starting from the historical condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019, reversing the segments not related to the regulated business in Belgium, and finally adjusting for Nemo Link and some working capital elements, will result in the pro forma financial consolidated statements for Elia Transmission Belgium.

(a) Detailed pro forma adjustments

The following pro forma adjustments are included in the pro forma financial information:

1. Reversal of segment "50Hertz Transmission (Germany)", as per 30 June 2019

As described above, this segment covers the regulated activity in Germany in which Elia Group stake remains unchanged post reorganisation.

Elia Transmission Belgium will not benefit from the financial performance of this segment post transaction. By excluding this segment from the reported figures contained in the total historical condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019 reported figures, this segment will not be transferred to Elia Transmission Belgium.

2. Reversal of segment "Non-regulated activities (incl. Nemo Link)" as per 30 June 2019

As described above, this segment covers the non-regulated activities related to the holding activities in 50Hertz, EGI and Eurogrid International which remains at the level of Elia Group, except for the

stake in Nemo Link. The segment has been completely reversed, as the Nemo Link stake will be allocated to Elia Transmission Belgium pursuant to adjustment (4) set out below.

Elia Transmission Belgium will not benefit from the financial performance of this segment post transaction (except for Nemo Link). By excluding this segment from the reported figures contained in the total historical condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019, this segment will not be transferred to Elia Transmission Belgium. Nemo Link will be adjusted pursuant to adjustment (4) set out below.

3. *Elimination of intercompany balances and transactions (continuing impact)*

Some intragroup balance sheet positions, mainly related to the segment “50Hertz Transmission (Germany)” have been eliminated.

4. *Adjustment related to the Nemo Link activities and the split of working capital items related to the regulated business*

The balance sheet items related to Nemo Link are (i) the participation in Nemo Link – Equity accounted investee (EUR 321.2 million), (ii) Long term Borrowings for (EUR 215.2 million). The other elements are related to the intragroup current account which has been settled in cash, resulting in an adjustment in net working capital of EUR 55.8 million.

(b) *Overview of Interest-bearing loans and borrowings as reported in the historical condensed consolidated interim financial statements of Elia Group as at and for the six months ended 30 June 2019 compared to the situation post Reorganisation for Elia Group and Elia Transmission Belgium*

(in EUR million)	30 June 2019			Pro forma Post Reorganisation			
	Maturity	Elia Group		Elia Group		Elia Transmission Belgium	
		Amount	Nominal Amount	Amount	Nominal Amount	Amount	Nominal Amount
Eurobond issues 2013/15 years	2028	547.7	550	547.7	550	547.7	550
Eurobond issues 2013/20 years	2033	199.4	200	199.4	200	199.4	200
Eurobond issues 2014/15 years	2029	347.0	350	347.0	350	347.0	350
Eurobond issues 2015/8.5 years	2024	498.8	500	498.8	500	498.8	500
Eurobond issues 2017/10 years	2027	247.8	250	247.8	250	247.8	250
Eurobond issues 2019/7 years	2026	498.7	500	498.7	500	498.7	500
Senior bond 2018/10 years	2028	297.5	300	297.5	300	n/a	n/a
Shareholders' loan	2022	42.1	42.1	42.1	42.1	42.1	42.1
Other loans	2022	453.7	453.7	453.7	453.7	453.7	453.7
Amortized term loan	2033	209.7	210	209.7	210	209.7	210
European Investment Bank	2025	100.0	100	100.0	100	100.0	100
Bond as part of Euro Medium Term Note program 2010 / 10 years	2020	499.4	500	499.4	500	n/a	n/a
Bond as part of Debt Issuance Programme 2015 / 10 years	2025	497.7	500	497.7	500	n/a	n/a
Bond as part of Debt Issuance Programme 2015 / 8 years	2023	748.6	750	748.6	750	n/a	n/a
Bond as part of Debt Issuance Programme 2015 / 15 years	2030	139.1	150	139.1	150	n/a	n/a
Bond as part of Debt Issuance Programme 2016 / 12 years	2028	746.9	750	746.9	750	n/a	n/a
Registered bond 2014 / 30 years	2044	50.0	50	50.0	50	n/a	n/a
Unsecured bank loan	2026	150.0	150	150.0	150	n/a	n/a
Total		6,274.0	6305,8	6,274.0	6305,8	3,144.9	3,155.8

2. AGENDA

The Issuer requests that holders of the Notes consent, by Extraordinary Resolution, to:

The purpose of the Proposal is for Noteholders to approve:

- (i) the proposed transfer of the regulated activities in Belgium from the Issuer to Elia Transmission Belgium SA/NV, which comprises the ownership and operation of the high and very high voltage electricity transmission system in Belgium, including all shares held by the Issuer in Elia Asset SA/NV and Nemo Link Ltd. and all or part of the indebtedness which was raised for these purposes (the **Asset Transfer**), and the Issuer ceasing to be the “Belgian Transmission System Operator” for the purposes of Condition 10(g) following the Asset Transfer (together the **Reorganisation**) for the sole purpose of clarifying that the Reorganisation, should it take place, would not constitute an event of default under either or both of Conditions 10(f) and 10(g); and
- (ii) the waiver of any rights Noteholders may otherwise have under Condition 10(f) or Condition 10(g) in respect of the Reorganisation,

in each case with effect on and from the date the Asset Transfer occurs (the **Asset Transfer Date**), subject to satisfaction of the conditions set out in paragraph 3 of the Extraordinary Resolution, and all as further described in this Convocation Memorandum.

3. PROPOSED EXTRAORDINARY RESOLUTION

Proposed Extraordinary Resolution of the holders:

"THAT this Meeting of the holders of the Notes:

1. (subject to paragraph 3 of this Extraordinary Resolution) assents and agrees to:
 - (i) the proposed transfer of the regulated activities in Belgium from the Issuer to Elia Transmission Belgium SA/NV, which comprises the ownership and operation of the high and very high voltage electricity transmission system in Belgium, including all shares held by the Issuer in Elia Asset SA/NV and Nemo Link Ltd. and all or part of the indebtedness which was raised for these purposes (the **Asset Transfer**), and the Issuer ceasing to be the “Belgian Transmission System Operator” for the purposes of Condition 10(g) following the Asset Transfer (together the **Reorganisation**) for the sole purpose of clarifying that the Reorganisation, should it take place, would not constitute an event of default under either or both of Conditions 10(f) and 10(g); and
 - (ii) the waiver of any rights Noteholders may otherwise have under Condition 10(f) or Condition 10(g) in respect of the Reorganisation,

in each case with effect on and from the date the Asset Transfer occurs;

2. (subject to paragraph 3 of this Extraordinary Resolution) sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders appertaining to the Notes against the Issuer, whether or not such rights arise under the Conditions, involved in, resulting from or to be effected by the matters referred to in paragraph 1 of this Extraordinary Resolution;
3. declares that the approval by holders of the Notes of the matters set out in paragraphs 1 and 2 of this Extraordinary Resolution shall be conditional on:
 - (a) the passing of this Extraordinary Resolution and, if the Extraordinary Resolution is passed at an adjourned Meeting by a majority representing less than one-third of the outstanding nominal amount of the Notes, homologation of the Extraordinary Resolution by the Court of Appeal of Brussels; and
 - (b) the Consent Solicitation not having been terminated in accordance with the provisions for such termination set in the Consent Solicitation Memorandum; and
4. acknowledges that the following terms, as used in this Extraordinary Resolution, shall have the meanings given below:

Consent Solicitation in respect of the Notes means the invitation by the Issuer to all Noteholders to consent to the modifications referred to in this Extraordinary Resolution, as described in the Consent Solicitation Memorandum and as the same may be amended in accordance with its terms;

Consent Solicitation Memorandum means the consent solicitation memorandum dated 8 October 2019 prepared by the Issuer in relation to the Consent Solicitation in respect of the Notes; and

Issuer means Elia System Operator SA/NV."

4. EFFECTIVE DATE OF THE PROPOSAL

If the Extraordinary Resolution is passed and the other Consent Conditions satisfied (including where the Extraordinary Resolution was approved at an adjourned Meeting by a majority representing less than one-third of the outstanding nominal amount of the Notes, the Extraordinary Resolution being homologated by the Court of Appeal of Brussels), the Proposal will take effect on and from the Asset Transfer Date.

5. CONSENT SOLICITATION

Noteholders may obtain, from the date of this Convocation Memorandum, a copy of the Consent Solicitation Memorandum from the Tabulation Agent, the contact details for which are set out below.

Pursuant to the Consent Solicitation in respect of the Notes, each Noteholder from whom a valid Block Voting Instruction or Meeting Notification (together with the relevant Voting Certificate) (each as defined below) is received by the Tabulation Agent by the deadline specified in the Consent Solicitation Memorandum will, subject to the conditions set out in the Consent Solicitation Memorandum, be eligible to receive payment of an amount equal to 1.75 per cent. of the nominal amount of the Notes that are validly voted at the Meeting (the **Early Participation Fee**), all as more fully described in the Consent Solicitation Memorandum.

6. GENERAL

Copies of the Agency Agreement (which contains the terms and conditions of the Notes in Schedule 1 to the Agency Agreement) are available (a) for inspection by Noteholders on and from the date of this Convocation Memorandum up to and including the date of the Meeting, at the specified office of the Agent during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) up to and including the date of the Meeting, and (b) on request from the Tabulation Agent, the contact details for which are set out below.

For further information on the requirements to participate in the Meeting and on the procedures for voting, quorum and other requirements for the passing of the Extraordinary Resolution at the Meeting or any meeting held following any adjournment of the Meeting, see "Voting and Quorum" below. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting (including by way of submitting Block Voting Instructions or Meeting Notifications (together with the relevant Voting Certificates)), as soon as possible.

7. VOTING AND QUORUM

*Noteholders who have submitted and not revoked valid Block Voting Instructions or Meeting Notifications (together with the relevant Voting Certificates) in respect of the Extraordinary Resolution by 5.00 p.m. (Brussels time) on 24 October 2019 (the **Expiration Deadline**) by which they will have given instructions for the appointment of one or more representatives of the Tabulation Agent by the Agent as a proxy to vote in favour of or against or abstain from voting on (as specified in the relevant Block Voting Instruction or Meeting Notification) the Extraordinary Resolution at the Meeting (or any adjourned such Meeting), need take no further action to be represented at the Meeting (or any adjourned such Meeting or otherwise in respect of such Meeting).*

1. Noteholders who have not submitted or have submitted and subsequently revoked a Block Voting Instruction in respect of the Extraordinary Resolution should take note of the provisions set out below detailing how such Noteholders can attend or take steps to be represented at the Meeting (references to which, for the purpose of such provisions, include, unless the context otherwise requires, any adjourned Meeting).
2. Subject as set out below, the provisions governing the convening and holding of the Meeting are set out in schedule 2 to the Agency Agreement, copies of which are available from the date of this Convocation Memorandum to the conclusion of the Meeting (or any adjourned Meeting) as referred to above.
3. A Noteholder not wishing to attend and vote at the Meeting in person should deliver, or if the Noteholder is not a Clearing System Participant, request the relevant Clearing System Participant to deliver, to the Tabulation Agent through the voting website (the **Voting Website**) established by the Tabulation Agent in connection with the Proposal (www.lucid-is.com/elia) a signed, duly completed block voting instruction (a **Block Voting Instruction**) in the form available from the Tabulation Agent, the contact details for which are at the end of this Convocation Memorandum, that (i) specifies the nominal amount of the Notes to which such Block Voting Instruction relates and (ii) confirms whether the relevant Noteholder is voting in favour of or against the relevant Extraordinary Resolution, or abstaining from voting, in respect of the relevant Notes. By submitting a valid Block Voting Instruction, a Noteholder will give instructions for the appointment of one

or more representatives of the Tabulation Agent by the Agent as proxy of that Noteholder to abstain from voting or vote in the manner specified or identified in their Block Voting Instruction in respect of the Extraordinary Resolution at the Meeting and at any adjourned such Meeting. If a Block Voting Instruction does not provide valid instructions for the appointment of one or more representatives of the Tabulation Agent by the Agent as a proxy to vote in favour of or against or to abstain from voting on the Extraordinary Resolution, it shall be deemed to be an instruction for the appointment of one or more representatives of the Tabulation Agent by the Agent as a proxy to vote in favour the Extraordinary Resolution.

4. A Noteholder that does wish to attend and vote at the Meeting in person should deliver to the Tabulation Agent through the Voting Website (www.lucid-is.com/elia), a signed, duly completed meeting notification (a **Meeting Notification**) in the form available from the Tabulation Agent together with the relevant Voting Certificate so that they are received by the Tabulation Agent by the Expiration Deadline.

A Noteholder (or representative on behalf of such Noteholder) wishing to attend and vote at the Meeting in person must produce at such Meeting satisfactory evidence of identity (for example, an identity card or passport).

5. On submitting any such Block Voting Instruction or Meeting Notification (together with the relevant Voting Certificate), a Noteholder is deemed to agree, acknowledge, represent, warrant and undertake that it holds, and that it will hold (until the earlier of (i) the date on which its Block Voting Instruction or Meeting Notification (together with the relevant Voting Certificate) is validly revoked (including their automatic revocation on the termination of the Consent Solicitation in respect of the Notes) and (ii) the conclusion of the Meeting) the relevant Notes which are the subject of such voting instruction.
6. The quorum required at the initial Meeting is one or more persons present being Noteholders, proxies or representatives and holding or representing in aggregate not less than three-quarters of the aggregate nominal amount of the Notes for the time being outstanding. If a quorum is not present within 15 minutes from the time initially fixed for the Meeting, such Meeting will be adjourned for a period being not less than 14 days nor more than 42 days and at a place appointed by the Chairman and the Extraordinary Resolution will be considered at the adjourned Meeting. The quorum at the adjourned Meeting will be one or more one or more persons present being Noteholders, proxies or representatives and holding or representing in aggregate not less than one-quarter of the aggregate nominal amount of the Notes for the time being outstanding. The holding of any adjourned Meeting will be subject to the Issuer giving at least 15 days' notice that the adjourned Meeting is to be held.
7. Every question submitted to the Meeting shall be decided in the first instance by a show of hands.

Unless a poll is (before or at the time that the result is declared) validly demanded by the Chairman, the Issuer or one or more persons present representing 2 per cent. of the aggregate nominal amount of the Notes for the time being outstanding, a declaration by the Chairman that a resolution has or has not passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

At the Meeting on a show of hands or on a poll every person who is so present shall have one vote in respect of each €100,000 in nominal amount of the outstanding Notes so represented by the Voting Certificate or in respect of which that person is a proxy or representative.

8. To be passed at the Meeting, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast. In addition, in the case of an adjourned Meeting, the Extraordinary Resolution will have to be homologated by the Court of Appeal of Brussels in accordance with the procedure set out in article 574 of the Belgian Company Code if the Extraordinary Resolution is taken by a majority representing less than one-third of the aggregate nominal amount of the outstanding Notes. If passed (and, if applicable, homologated by the Court of Appeal of Brussels), the Extraordinary Resolution will be binding on all Notes, whether or not present at the Meeting and whether or not voting.
9. Noteholders should note that (unless validly revoked) given voting instructions and Voting Certificates obtained in respect of the Meeting shall remain valid for any adjourned such Meeting.

10. For the purposes of this Convocation Memorandum:

Agency Agreement means the agency agreement dated 30 August 2018 in respect of the Notes and made between the Issuer and the Agent;

Agent means BNP Paribas Securities Services SCA, Brussels Branch;

Business Day means a day, other than a Saturday or a Sunday, on which banks generally are open for business in Brussels;

Clearing System means the clearing system operated by the National Bank of Belgium or any successor thereto;

Clearing System Participant means each person who is shown in the records of the Clearing System as a holder of Notes;

Issuer Substitution Date has the same meaning as Asset Transfer Date;

Noteholder or **holder of Notes**, unless the context otherwise requires, includes (a) each Clearing System Participant and (b) each person who is shown as a holder of the relevant Notes in the records of (x) a Clearing System Participant or (y) a Recognised Accountholder, in each case (a) or (b) insofar as that person is acting for its own account;

Recognised Accountholder means each person who is shown as a holder of the Notes in the records of (x) a Clearing System Participant or (y) a recognised accountholder (*teneur de compte agréé/erkende rekeninghouder*) (within the meaning of article 468 of the Belgian Company Code), insofar as that person is acting for its own account;

S&P means S&P Global Ratings Europe Limited;

Tabulation Agent means Lucid Issuer Services Limited; and

Voting Certificate means the voting certificate issued by a Recognised Accountholder or the Clearing System certifying that the Notes in respect of which a Meeting Notification is given, will be blocked until the later of (i) the conclusion of the relevant Meeting and any related adjourned Meeting or (ii) the earlier surrender of such certificate to such Recognised Accountholder or the Clearing System, as applicable.

This Convocation Memorandum is issued by Elia System Operator SA/NV.

Noteholders should contact the following for further information:

Solicitation Agents

BNP Paribas (Telephone: +44 20 7595 8668 / Email: liability.management@bnpparibas.com / Attention: Liability Management)

Citigroup Global Markets Limited (Telephone: +44 20 7986 8969 / Email: liabilitymanagement.europe@citi.com / Attention: Liability Management Group)

J.P. Morgan Securities plc (Telephone: +44 20 7134 2468 / Email: EMEA_LM@jpmorgan.com / Attention: Liability Management Group)

NatWest Markets Plc (Telephone: +44 20 7678 5282 / Email: liabilitymanagement@natwestmarkets.com / Attention: Liability Management)

Tabulation Agent

Lucid Issuer Services Limited (Telephone: +44 20 7704 0880 / Fax: + 44 20 3004 1590 / Email: elia@lucid-is.com / Attention: Thomas Choquet / Voting Website: www.lucid-is.com/elia)

The Agent

BNP Paribas Securities Services SCA, Brussels Branch

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 (MAR) until the release of this announcement.

This announcement is released by Elia System Operator SA/NV on its website at <https://www.elia.be/en/investor-relations/reorganisation/information-to-shareholders> on 8 October 2019 at 08:00 a.m. (Central European Time) and contains inside information for the purposes of Article 7 of MAR, encompassing information relating to the Proposal described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Yannick Dekoninck (Group Controlling & IR).

Dated: 8 October 2019