

### TRANSPARENCY RULES – NOTIFICATIONS

Elia System Operator received no notifications in 2019 within the meaning of the Act of 2 May 2007 on disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions, and within the meaning of the Royal Decree of 14 February 2008 on disclosure of major shareholdings.

In accordance with Article 15 of the Act of 2 May 2007, on 18 January 2019 Elia System Operator gave notice of the capital increase reserved for the staff of Elia System Operator and its Belgian subsidiaries, which was formally recorded before a notary on 20 December 2018 and led to the issuing of 114,039 new

shares in Elia System Operator. See also the press release of 18 January 2019, published on the company's website ([www.eliagroup.eu](http://www.eliagroup.eu), under 'News', 'Press releases', 'Regulated information').

In addition, in accordance with Article 15 of the Act of 2 May 2007, on 26 March 2019 Elia System Operator gave notice of the capital increase reserved for the staff of Elia System Operator and its Belgian subsidiaries, which was formally recorded before a notary on 22 March 2019 and led to the issuing of 9,776 new shares in Elia System Operator. See also the press release of 26 March 2019, published on the company's website ([www.eliagroup.eu](http://www.eliagroup.eu), under 'News', 'Press releases', 'Regulated information').

Further, in accordance with Article 15 of the Act of 2 May 2007, on 19 June 2019

Elia System Operator gave notice of the capital increase as result of its €434.8 million rights offering, which was formally recorded before a notary on 18 June 2019 and led to the issuing of 7,628,104 new shares in Elia System Operator. See also the press release of 19 June 2019, published on the company's website ([www.eliagroup.eu](http://www.eliagroup.eu), under 'News', 'Press releases', 'Regulated information').

Elia has issued a total of 68,652,938 shares.

For more information about the shareholder structure as at 31 December 2019, see the section 'Shareholder structure on the closing date'.

## Management committee



**Chris Peeters**  
Chairman and Chief Executive Officer



**Catherine Vandendorre**  
Chief Financial Officer



**Markus Berger**  
Chief Infrastructure Officer



**Patrick De Leener**  
Chief Customers, Market & System Officer



**Frédéric Dunon**  
Chief Assets Officer



**Pascale Fonck**  
Chief External Relations Officer



**Peter Michiels**  
Chief Human Resources & Internal Communication Officer



**Ilse Tant**  
Chief Community Relations Officer

# Remuneration report

## REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT COMMITTEE

### Procedure approved in 2016 to define the remuneration policy and the remuneration of members of the Board of Directors and the Management Committee

In accordance with Articles 16.1 and 15.1 of the respective articles of association<sup>1</sup> of Elia System Operator<sup>2</sup> and Elia Asset, a remuneration policy for members of the Board of Directors and the Management Committee<sup>3</sup> was drawn up in 2016 by the Remuneration Committee and approved by the Boards of Directors of Elia System Operator and Elia Asset.

The remuneration policy for directors was approved by the General Meeting of Shareholders of Elia System Operator and Elia Asset on 17 May 2016. The remuneration policy for members of the Strategy Committee was approved by the Extraordinary General Meeting of Shareholders of Elia System Operator and Elia Asset on 15 May 2018.

The Remuneration Committee also made recommendations regarding the remuneration policy and the remuneration of directors and Management Committee members. The composition and activities of the Remuneration Committee are covered in greater detail on page [6].

### Remuneration of members of the Board of Directors

Following the decision adopted by the Ordinary General Meeting of Elia System Operator and Elia Asset on 17 May 2016, the rules on the remuneration of directors were amended. The new rules, which have been in force since 1 January 2016, are described below.

The total cost of gross remuneration paid to the 14 directors in 2019 was €861,045.20 (€458,887.10 for Elia System Operator and €402,158.10 for Elia Asset).

The table below lists the individual gross sums paid to each director for Elia System Operator and Elia Asset combined.

These amounts were calculated on the basis of eleven meetings of the Board of Directors of Elia System Operator and six meetings of the Board of Directors of Elia Asset in 2019. In 2019, the Audit Committee met eight times, the Corporate Governance Committee six times, the Remuneration Committee of Elia System Operator three times and the Strategy Committee two times.

Directors' remuneration consists of a basic remuneration of €25,000 per annum (€12,500 for Elia System Operator and €12,500 for Elia Asset) and an attendance fee of €1,500 (€750 for Elia System Operator and €750 for Elia Asset) per Board meeting, starting with the first Board meeting attended by the director. The basic remuneration and the attendance fee are increased by 100% for the Chairman of the Board of Directors and by 30% for each Vice-Chairman of the Board of Directors.

For each company, additional basic remuneration for each member of an advisory committee to the Board of Directors (the Audit Committee, the Remuneration Committee and the Corporate Governance Committee) is set at €3,000 per annum per committee, and the attendance fee for each member of a committee is €750 per committee meeting (starting with the first meeting attended by the member). Both the basic remuneration and the attendance fee are increased by 30% for each committee chairman. The members of the Strategy Committee are not remunerated, with the exception of the Chairman, who is remunerated in the same way as the Chairs of the Board of Directors' other advisory committees.

The basic annual remuneration and the attendance fees are indexed in January each year on the basis of the consumer price index for January 2016.

The basic annual remuneration and the attendance fees cover all costs, except (a) any costs incurred by a director resident outside Belgium in connection with the exercise of his/her office (such as travel and accommodation costs) providing that the director in question was resident outside Belgium at the time of appointment or, if the director changed his/her place of residence after appointment, providing that the Remuneration Committee gave its approval; (b) any costs incurred by a director in the event that a meeting of the Board of Directors is held outside Belgium (e.g. in Germany); and (c) any costs incurred by a director travelling abroad in connection with the ex-

<sup>1</sup> Please note that the articles of association of Elia System Operator and Elia Asset were amended in connection with the reorganisation of the Elia Group and to bring them into line with the new Belgian Companies and Associations Code (CAC) (see page 148). The new articles of association have been in force since 1 January 2020. Since this remuneration report is for the financial year 2019, it refers to the articles of association that applied in 2019.

<sup>2</sup> Please note that following the reorganisation of the Elia Group, Elia System Operator's name was changed and has been Elia Group since 1 January 2020 (see page 121). Since this remuneration report is for the financial year 2019, we have used the old name, Elia System Operator [unless indicated otherwise].

<sup>3</sup> Please note that Elia Group (the new name of Elia System Operator) has not had a Management Committee since 1 January 2020. Instead, it has a day-to-day management board.

ercise of his/her office upon the request of the Chairman or a Vice-Chairman of the Board of Directors. All remuneration and costs are included in the company's operating costs.

All remuneration is paid on a pro rata basis according to the duration of the director's term of office.

An advance on annual remuneration is paid to the directors at the end of the

first, second and third quarter. A detailed account is prepared during the month of December for the current year.

Directors do not receive any other benefits in kind, stock options, special loans or advances. Neither Elia System Operator nor Elia Asset has issued credit to or on behalf of any member of the Board of Directors.

DIRECTOR	REMUNERATION	BOARD OF DIRECTORS OF ELIA SYSTEM OPERATOR	BOARD OF DIRECTORS OF ELIA ASSET	AUDIT COMMITTEE OF ELIA SYSTEM OPERATOR	AUDIT COMMITTEE OF ELIA ASSET	CORPORATE GOVERNANCE COMMITTEE OF ELIA SYSTEM OPERATOR	CORPORATE GOVERNANCE COMMITTEE OF ELIA ASSET	REMUNERATION COMMITTEE OF ELIA SYSTEM OPERATOR	REMUNERATION COMMITTEE OF ELIA ASSET	STRATEGY COMMITTEE OF ELIA SYSTEM OPERATOR	STRATEGY COMMITTEE OF ELIA ASSET
Michel ALLÉ	65,126.60 €	11/11	6/6	8/8	8/8	-	-	-	-	1/2	1/2
Luc DE TEMMERMAN <sup>1</sup>	69,916.60 €	10/11	6/6	-	-	6/6	6/6	3/3	3/3	-	-
Frank DONCK <sup>2</sup>	72,954.00 €	10/11	6/6	8/8	8/8	5/6	5/6	-	-	-	-
Cécile FLANDRE <sup>3</sup>	38,605.00 €	10/11	5/6	-	-	-	-	-	-	-	-
Claude GRÉGOIRE <sup>4</sup>	52,263.90 €	11/11	6/6	-	-	-	-	-	-	2/2	2/2
Bernard GUSTIN <sup>5</sup>	80,406.00 €	11/11	6/6	-	-	-	-	-	-	2/2	2/2
Philip HEYLEN	60,969.00 €	8/11	5/6	-	-	5/6	5/6	2/3	2/3	-	-
Luc HUJOEL <sup>6</sup>	58,894.40 €	11/11	6/6	-	-	6/6	6/6	-	-	2/2	2/2
Roberte KESTEMAN <sup>7</sup>	70,557.00 €	11/11	6/6	8/8	8/8	-	-	3/3	3/3	-	-
Jane MURPHY	56,179.00 €	11/11	6/6	-	-	6/6	6/6	-	-	-	-
Dominique OFFERGELD	69,758.00 €	10/11	6/6	8/8	8/8	-	-	3/3	3/3	-	-
Rudy PROVOOST	63,364.80 €	9/11	6/6	5/8	5/8	-	-	-	-	1/2	1/2
Saskia VAN UFFELEN <sup>8</sup>	49,787.00 €	10/11	5/6	-	-	-	-	3/3	3/3	-	-
Geert VERSNICK <sup>9</sup>	52,263.90 €	11/11	6/6	-	-	-	-	-	-	1/2	1/2

<sup>1</sup> Luc De Temmerman's fees are paid to the company InDeBom Strategies CommV.

<sup>2</sup> Frank Donck's fees are paid to the company Ibervest NV.

<sup>3</sup> Cécile Flandre's fees are paid to the company Belfius Insurance SA.

<sup>4</sup> Claude Grégoire's fees are paid to the company Socofe SA until 31 May 2019.

<sup>5</sup> Bernard Gustin's fees are paid to the company Bernard Gustin SRL.

<sup>6</sup> Luc Hujoel's fees are paid to the company Interfin [CVBA].

<sup>7</sup> Roberte Kesteman's fees are paid to the company Symvouli BV.

<sup>8</sup> Saskia Van Uffelen's fees are paid to the company Quadrature SRL.

<sup>9</sup> Geert Versnick's fees are paid to the company Flemco bvba.

## Management Committee remuneration policy

### Aspirations :

Our remuneration system is designed to attract, retain and motivate the most talented individuals with a view to achieving our short- and long-term goals within a consistent framework.

### The principles governing remuneration of the Group's executives are:

- Focus on safety first and work in the best interests of society by targeting operational performance
- Design a salary scheme that encourages executives to live up to our core values of entrepreneurship, collaboration, accountability and agility
- Attract, retain and nurture the best talent to achieve our strategy and goals in the short and long term
- Ensure that our variable remuneration rewards both team success at company level and individual contributions
- Develop a job classification and staff remuneration system based on an objective and measurable methodology
- Position the remuneration system at the appropriate point of reference in the marketplace to attract the talent we need and to be competitive, using data from multiple providers (including Hay)
- Do not discriminate between employees on any grounds whatsoever through our remuneration system
- Design our benefit plans to promote retention and provide a secure environment for our employees and their families

The Remuneration Committee evaluates the members of the Management Committee once a year. Any change in the basic remuneration is linked to the position of each member of the Management Committee with respect to the general benchmark salary in the market and the assessment of the member's individual performance. Moreover, the Remunera-

tion Committee may, on a case-by-case basis, plan to recommend that the Board of Directors award exceptional bonuses for special services on specific, non-recurring assignments.

Since 2004, the Hay Group methodology has been used to define the weighting for each management position and to ensure that remuneration is in line with the going market rate.

The remuneration of members of the Management Committee consists of the following components:

- basic salary;
- short-term variable remuneration;
- long-term variable remuneration;
- pension;
- other benefits.

In accordance with Article 17.9 of the articles of association of Elia System Operator, an exemption from the provisions of Article 520ter, paragraphs 1 and 2 of the Belgian Companies Code<sup>4</sup> is provided for members of the Management Committee.

### BASIC REMUNERATION:

All the members of the Management Committee of Elia System Operator and Elia Asset have employee status.

In 2019, the basic remuneration paid to the Chairman of the Management Committee was €448,812.19. The recurring remuneration paid to the other members of the Management Committee totalled €1,627,858.78 (€1,122,741.95 for management employed by Elia System Operator and €505,116.83 for management employed by Elia Asset, respectively).

Total basic remuneration of €2,076,670.97 was therefore paid to members of the Management Committee in 2019.

### VARIABLE REMUNERATION:

As regards variable remuneration, the Remuneration Committee evaluates the members of the Management Committee at the end of each year based on a number of qualitative and quantitative targets. Since 2008, variable remuneration has comprised two components: a short-term one and a long-term one.

### Short-term variable remuneration

The first component of variable remuneration is based on the attainment of a certain number of targets set by the Remuneration Committee at the start of the year, with 30% of variable remuneration being awarded for the attainment of the individual targets and 70% for the attainment of Elia Group's collective targets ('short-term incentive plan').

In 2019, the short-term variable remuneration earned by the Chairman of the Management Committee was €368,365.39.

The variable remuneration earned by other members of the Management Committee in 2019 was €765,724.53 (€523,229.30 for management employed by Elia System Operator and €242,495.23 for management employed by Elia Asset, respectively).

A total of €1,134,089.92 in variable remuneration was therefore paid to members of the Management Committee in 2019.

The collective targets for 2019 were:

- Net financial result after tax
- OPEX efficiency]
- Safety
- Implementation and monitoring of collective projects and our company transformation
- AIT (grid reliability)

Following the successful implementation of the Topco project and the value creation achieved in 2019, the Board of Directors, acting on the recommendation of the Remuneration Committee, decided to award certain members of

<sup>4</sup> Please note that since 1 January 2020, the new CAC has applied to all Elia Group companies that existed on 1 May 2019. The rules set out in Article 520ter, paragraphs 1 and 2 of the Belgian Companies Code can now be found in Article 7:91, paragraphs 1 and 2 of the Belgian Companies and Associations Code.

the Management Committee additional remuneration totalling €150,000 for [this additional work]. Of this amount, €100,000 was paid to the Chairman of the Management Committee, while €50,000 was paid to certain other members of the Management Committee (of Elia System Operator). This remuneration, which counts as exceptional remuneration for special services (on certain specific, non-recurring assignments) was paid in addition to the aforementioned short-term variable remuneration earned for 2019.

#### Long-term variable remuneration

The second component of variable remuneration is based on multi-annual criteria covering a period of four years ('long-term incentive plan'). The variable remuneration earned in 2019 can be estimated at €110,391.38 (maximum amount in the event of full attainment of the multi-annual criteria for the tariff period concerned) for the Chairman of the Management Committee in 2019 and €405,374.74 for the other members of the Management Committee (€279,136.90 for management employed by Elia System Operator and €126,237.83 for management employed by Elia Asset, respectively).

These amounts are reviewed at the end of each year based on the achievement of the multi-annual criteria. The first part of the long-term variable remuneration for the 2016-2019 tariff period was paid in 2018. The balance will be paid in 2020. Remuneration is definitively acquired at the moment of payment.

#### Clawback

Bonuses paid for the prior period may be clawed back in case of proven fraud or material misstatement.

#### CONTRIBUTIONS TO THE CORPORATE PENSION SCHEME:

Since 2007, all pension plans for Management Committee members have been defined-contribution plans, where the amount paid, excluding tax, is calculated on the basis of annual remuneration.

In 2019, Elia System Operator paid a total of €115,303.76 for the Chairman of the Management Committee. For the other members of the Management Committee, Elia paid a total of €368,908.96 (€244,416.01 for management employed by Elia System Operator and €124,492.95 for management employed by Elia Asset, respectively).

#### OTHER BENEFITS:

Other benefits awarded to members of the Management Committee, such as guaranteed income in the event of long-term illness or an accident, healthcare and hospitalisation insurance, invalidity insurance, life insurance, reduced energy prices, other allowances, assistance with public transport costs, provision of a company car, employer-borne costs and other minor benefits, are in line with the regulations applying to all company executives.

The cost of these other benefits for 2019 was valued at €38,936.70 for the Chairman of the Management Committee and at €224,077.01 for the other members of the Management Committee (€156,549.78 for management employed by Elia System Operator and €67,527.23 for management employed by Elia Asset, respectively). No stock options were awarded at Elia for the Management Committee in 2019.

Employment contract provisions and severance benefits of members of the Management Committee

Management Committee members' employment contracts concluded after 3 May 2010 were drawn up in accordance with the prevailing legislation on notice and dismissal.

The employment contracts of members of the Management Committee hired before 3 May 2010 contain no specific provisions regarding dismissal.

If the company decides to impose a 12-month non-compete restriction on a Management Committee member, that member is entitled to an additional six months' compensation.

#### Elia System Operator shares held by members of the Management Committee

The members of the Management Committee held the following number of shares as at 31 December 2019 :

MEMBER OF THE MANAGEMENT COMMITTEE	as at 31 Dec. 2019	as at 31 Dec. 2018
Chris PEETERS <i>Chief Executive Officer - président du comité de direction</i>	3,758	3,324
Markus BERGER <i>Chief Infrastructure Officer</i>	5,156	9,156
Patrick DE LEENER <i>Chief Customers, Market &amp; System Officer</i>	2,652	3,886
Frédéric DUNON <i>Chief Assets Officer</i>	2,268	2,171
Pascale FONCK <i>Chief External Relations Officer</i>	661	661
Peter MICHIELS <i>Chief Human Resources &amp; Internal Communication Officer</i>	839	729
Ilse TANT <i>Chief Community Relations Officer</i>	2,460	2,460
Catherine VANDENBORRE <i>Chief Financial Officer</i>	1,422	1,406

No stock options were awarded at Elia System Operator for the members of the Management Committee in 2019. Members of the Management Committee may purchase shares via capital increases, capital increases reserved for members of staff, or on the stock exchange.

#### Total annual remuneration

In 2019, the total remuneration paid to the Chairman of the Management Committee was €1,181,809.42.

The total annual remuneration of other members of the Management Committee was €3,441,944.01 (€2,376,073.94 for management employed by Elia System Operator and €1,065,870.08 for management employed by Elia Asset, respectively).

Total annual remuneration for all members of the Management Committee in 2019 was therefore €4,623,753.43.