

## — Remuneration report —

### Remuneration of the members of the board of directors and of the management committee

#### Procedure applied in 2014 to define the remuneration policy and the remuneration of members of the board of directors and of the management committee

In accordance with articles 16.1 and 15.1 of the respective articles of association of Elia System Operator and Elia Asset, a draft remuneration policy for members of the Board of Directors and the Management Committee was drawn up by the Remuneration Committee. The Boards of Directors of Elia System Operator and Elia Asset approved this draft remuneration policy for Management Committee members. The draft remuneration policy for directors was approved by the General Meeting of Shareholders of Elia System Operator and of Elia Asset.

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 in pages 63 of the annual report.

#### Remuneration of members of the board of directors

The total remuneration paid to the 14 directors in 2014 was €641,963.96 (€326,753.98 for Elia System Operator and €315,209.98 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 based on seven meetings of the Board of Directors of Elia System Operator and six meetings of the Board of Directors of Elia Asset in 2014. In 2014, the Audit Committee met four times, the Corporate Governance Committee six times and the Remuneration Committee three times.

The directors' remuneration consists of a basic remuneration of €25,000 per annum (€12,500 for Elia System Operator and €12,500 for Elia Asset) plus an additional €800 (€400 for Elia System Operator and €400 for Elia Asset) for each meeting after the eighth Board meeting of the year,

including meetings with regulators. This remuneration is increased by an additional 50% for the Chairman and by 20% for each Vice-Chairman of the Board of Directors.

	in EUR
Jennifer DEBATISSE <sup>10</sup> (until 20 May 2014)	12,185.08
Clément DE MEERSMAN (until 20 May 2014)	15,109.56
Jacques DE SMET	52,332.00
Luc DE TEMMERMAN <sup>11</sup> (from 20 May 2014)	27,730.84
Frank DONCK <sup>12</sup> (from 20 May 2014)	23,882.84
Cécile FLANDRE <sup>13</sup>	32,066.00
Claude GRÉGOIRE <sup>14</sup>	49,728.08
Philip HEYLEN	43,763.92
Luc HUJOEL <sup>15</sup> (from 20 May 2014)	31,578.84
Jean-Marie LAURENT JOSI	56,077.52
Miriam MAES <sup>16</sup>	56,821.16
Jane MURPHY	50,536.00
Dominique OFFERGELD	36,067.92
Steve STEVAERT	36,067.92
Luc VAN NEVEL (until 20 May 2014)	21,202.10
Saskia VAN UFFELEN <sup>17</sup> (from 20 May 2014)	23,882.84
Francis VERMEIREN (until 20 May 2014)	20,471.06
Geert VERSNICK <sup>18</sup> (from 20 May 2014)	34,913.70
Thierry WILLEMARCK (until 20 May 2014)	17,546.58

An additional basic remuneration of €6,000 per year per committee (€3,000 for Elia System Operator and €3,000 for Elia Asset) is awarded to directors who sit on an advisory committee to the Board of Directors (i.e. the Audit Committee, the Remuneration Committee and the Corporate Governance Committee). An additional remuneration of €800 (€400 for Elia System Operator and €400 for Elia Asset) is also awarded for each additional committee meeting (i.e. each meeting after the three covered by the basic remuneration), including meetings with regulators.

This remuneration covers all costs, except for travel and accommodation costs abroad incurred by directors in the performance of their mandate. It is included in the company's operating costs and is indexed annually in accordance with the consumer price index. 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 1<sup>st</sup>, 2<sup>nd</sup> and

10. Jennifer Debatisse's fees are paid to the company Interfin SCRL.
11. Luc De Temmerman's fees are paid to the company InDeBom Strategies Comm. V.
12. Frank Donck's fees are paid to the company Ibervest SA.
13. Cécile Flandre's fees are paid to the company Belfius Insurance SA.
14. Claude Grégoire's fees are paid to the company Socofe SA. Claude Grégoire was acting Chairman ad interim of the Board of Directors of Elia System Operator and of Elia Asset from 20 May 2014 until 26 June 2014. He has been Vice-Chairman of the Board of Directors of these companies since 26 June 2014.
15. Luc Hujuel's fees are paid to the company Interfin SCRL.
16. Miriam Maes has been Chairwoman of the Board of Directors since 26 June 2014.
17. Saskia Van Uffelen's fees are paid to the company Quadrature SPRL.
18. Geert Versnick's fees are paid to the company Flemco SPRL. Geert Versnick has been Vice-Chairman of the Board of Directors of Elia System Operator and of Elia Asset since 26 June 2014.

3<sup>rd</sup> quarter. The advance is calculated on the basis of the basic indexed remuneration and on a pro-rata basis in relation to the duration of the directorship during the quarter in question. A detailed account is prepared during the month of December for the current year. This account takes into consideration any additional remuneration on top of the basic remuneration.

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.

There are no plans to substantially amend the current remuneration policy for directors in 2015 or 2016.

### Management committee remuneration policy

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.

Since 2004, the Hay 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, first and second section of the Belgian Companies Code is provided for members of the Management Committee.

As regards the 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, the variable remuneration has comprised two components, a short-term one and a long-term one.

### Basic remuneration

Given general market conditions at the end of 2013, it was decided, on the proposal of the Chairman of the Management Committee, to only adjust the basic remuneration above inflation for members of the Management Committee who had taken on a new position.

All the members of Elia's Management Committee have employee status.

The basic remuneration for the Chairman of the Management Committee totalled €373,970.50 in 2014.

The recurring remuneration paid to the other members of the Management Committee totalled €1,124,965.40 (€679,609.67 for management employed by Elia System Operator and €445,355.73 for management employed by Elia Asset, respectively).

A total basic remuneration of €1,498,935.90 was therefore paid to all members of the Management Committee in 2014.

### Short-term variable remuneration

The first component of the 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 a maximum of 25% of variable remuneration for the individual targets and 75% for the attainment of the Elia group's collective targets ('short-term incentive plan').

In 2014, the short-term variable remuneration earned by the Chairman of the Management Committee was €159,002.21.

The variable remuneration earned by other members of the Management Committee in 2014 was €331,713.38 (€200,533.43 for management employed by Elia System Operator and €131,179.95 for management employed by Elia Asset, respectively).

A total of €490,715.59 of variable remuneration was therefore paid to members of the Management Committee in 2014.

### Total annual remuneration

In 2014, the total annual remuneration paid to the Chairman of the Management Committee was €532,972.71.

The total annual remuneration of other members of the Management Committee was €1,456,678.78 (€880,143.10 for management employed by Elia System Operator and €576,535.68 for management employed by Elia Asset, respectively).

The total annual remuneration for all members of the Management Committee in 2014 was therefore €1,989,651.49.

### Long-term variable remuneration

The second component of the variable remuneration is based on multiannual criteria covering a period of 4 years ('long-term incentive plan'). The variable remuneration earned in 2014 can be estimated at €100,139.11 (maximum amount in the event of full attainment of the multiannual criteria for the tariff period concerned) for the Chairman of the Management Committee and €286,909.43 for the other members of the Management Committee (€176,812.23 for management employed by Elia System Operator and €110,097.20 for management employed by Elia Asset, respectively).

These amounts are reviewed at the end of each year in proportion to the achievement of the multiannual criteria. The first part of the long-term variable remuneration was paid in 2014 and the balance will be paid in 2016.

No other variable remuneration was paid in 2014.

Remuneration is definitively acquired at the moment of payment.

## Contributions to the supplementary 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 the annual remuneration. In 2014, Elia System Operator paid a total of €98,341.80 for the Chairman of the Management Committee.

For the other members of the Management Committee, Elia paid a total of €217,190.49 (€134,209.02 for management employed by Elia System Operator and €82,981.47 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, tariff benefits, other allowances, assistance with public transport costs, provision of a company car, employer-borne costs and other small benefits are in line with the regulations applying to all company executives.

The cost of these other benefits for 2014 was valued at €71,948.63 for the Chairman and €173,870.60 for all the other members of the Management Committee (€93,174.80 for management employed by Elia System Operator and €80,695.80 for management employed by Elia Asset, respectively).

There were no stock options awarded in Elia for the Management Committee in 2014.

## Provisions of employment contracts and severance benefits of members of the management committee

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

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

## 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 2014:

	as at 31.12.2014	as at 31.12.2013
Jacques Vandermeiren <sup>19</sup> Chief Executive Officer Chairman of the Management Committee	3,317	3,003
Markus Berger Chief Officer Infrastructure Development	9,156	7,633
Frédéric Dunon Chief Officer Operations, Maintenance & Methods	1,961	-
Ilse Tant Chief Corporate Affairs Officer	1,825	-
Frank Vandenberghe Chief Officer Customers, Market & System	4,749	4,552
Catherine Vandendorre Chief Financial Officer	1,120	794

No stock options in Elia System Operator were awarded to the members of the Management Committee in 2014. Members of the Management Committee may purchase shares via existing capital increases in favour of the members of the personnel or on the stock exchange.

## Other information to be communicated pursuant to article 96 of the Belgian companies code and article 34 of the royal decree of 14 november 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market

This section contains the information required to be disclosed under the aforementioned legislation and not included in other parts of the annual report.

19. Serving as Chairman and member of the Management Committee until 14 January 2015.