

Elia System Operator

Public limited liability company (“société anonyme/naamloze vennootschap”)

Boulevard de l’Empereur 20

B-1000 Brussels, Belgium

Enterprise number no. 0476.388.378 (Brussels)

(the “company”)

**NOTICE OF ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF
SHAREHOLDERS**

The shareholders and bondholders are hereby invited to attend the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders of the company that will be held on Tuesday, 17 May 2016, at the Square Brussels Meeting Centre, Coudenberg Entrance, Coudenberg 3, B-1000 Brussels, Belgium.

The **Ordinary General Meeting of Shareholders** will be held at 10.00 a.m.

The agenda of the Ordinary General Meeting of Shareholders is as follows:

1. Annual report of the Board of Directors on the annual accounts for the financial year ended 31 December 2015;
2. Report of the statutory auditors on the annual accounts for the financial year ended 31 December 2015;
3. Approval of the annual accounts for the financial year ended 31 December 2015, including allocation of the result;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves to approve the annual accounts for the financial year ended 31 December 2015, including allocation of the result.

4. Approval of the remuneration report for the financial year ended 31 December 2015;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves to approve the remuneration report for the financial year ended 31 December 2015.

5. Annual report of the Board of Directors on the consolidated annual accounts (IFRS) for the financial year ended 31 December 2015;

6. Report of the statutory auditors on the consolidated annual accounts (IFRS) for the financial year ended 31 December 2015;
7. Discussion of the consolidated annual accounts (IFRS) for the financial year ended 31 December 2015;
8. Discharge in favour of the directors;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves to grant discharge to the directors, including to the former directors Mr. Steve Stevaert and Mr. Jean-Marie Laurent Josi, for the performance of their duties during the financial year ended 31 December 2015.

9. Discharge in favour of the statutory auditors;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves to grant discharge to the statutory auditors for the performance of their duties during the financial year ended 31 December 2015.

10. Appointment of Mr. Michel Allé as independent director;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves to appoint Mr. Michel Allé as independent director of the company for a term ending immediately after the Ordinary General Meeting of 2022 regarding the financial year closed on 31 December 2021. The Ordinary General Meeting of shareholders takes note of the fact that said director fulfills the conditions of independence as described in section 526^{ter} of the Belgian Companies Code.

The Ordinary General Meeting of Shareholders resolves that the office of Mr. Michel Allé will be remunerated on the same basis as those of the other members of the Board of Directors.

11. Final appointment of Mr. Peter Vanvelthoven as non-independent director on the proposal of the holders of class C shares;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves in accordance with article 519 of the Belgian Companies Code to finally appoint Mr. Peter Vanvelthoven, who was appointed by the Board of Directors on 24 March 2016 as non-independent director of the company (on the proposal of the holders of class C shares), for a term ending immediately after the Ordinary General Meeting of Shareholders of 2017 regarding the financial year closed on 31 December 2016.

The Ordinary General Meeting of Shareholders resolves that the office of Mr. Peter Vanvelthoven will be remunerated on the same basis as those of the other members of the Board of Directors.

12. Adaptation of the remuneration policy of the members of the Board of Directors;

Proposed resolution: the Ordinary General Meeting of Shareholders resolves to approve the following new remuneration policy of the directors, applicable as of 1 January 2016:

- (i) The fixed annual remuneration for each director of the company is determined at EUR 12,500 per year and the attendance fee for each director is determined at EUR 750 per Board meeting (as from the first Board meeting attended). The fixed annual remuneration and attendance fee are increased by 100% for the Chairman of the Board and by 30% for each Vice-Chairman of the Board;
- (ii) The fixed annual remuneration for each member of an Advisory Committee to the Board of Directors (i.e. the Audit Committee, the Remuneration Committee and the Corporate Governance Committee) is determined at EUR 3,000 per year per Committee and the attendance fee for each Committee member is determined at EUR 750 per Committee meeting (as from the first Committee meeting attended). The fixed annual remuneration and attendance fee are increased by 30% for each Chairman of a Committee;
- (iii) The fixed annual remuneration and the attendance fees will be indexed each year in January, based on the consumption price index of January 2016;
- (iv) The fixed annual remuneration and attendance fees cover all costs, with the exception of (a) expenses incurred by a director domiciled outside Belgium in carrying out his/her mandate (such as travel and accommodation expenses) to the extent that the director concerned is domiciled outside Belgium at the moment of his/her nomination or, if this director changes his/her domicile after his/her nomination, upon approval of the Remuneration Committee, (b) all costs incurred by a director in case a Board meeting is organized outside Belgium (e.g. in Germany) and (c) all costs incurred by a director travelling abroad in the context of his/her mandate at the request of the Chairman or Vice-Chairmen of the Board. All fees and expenses are charged to the operating costs of the company.

13. Miscellaneous.

Immediately after the Ordinary General Meeting of Shareholders, an **Extraordinary General Meeting of Shareholders** will be held.

The Extraordinary General Meeting of Shareholders will be able to validly deliberate and decide only if the attendees represent at least half of the registered capital. Should this condition not be fulfilled, a second Extraordinary General Meeting of Shareholders will be called for Friday, 23

June 2016, at 10.00 a.m., which meeting will validly deliberate and decide irrespective of the portion of the capital represented by the shareholders attending the meeting.

The agenda of the Extraordinary General Meeting of Shareholders is as follows:

1. Presentation of the report of the Board of Directors and of the report of the statutory auditors, both drawn up in accordance with sections 582 and 596 of the Belgian Companies Code, with respect to the possibility that class B shares might be issued at below the par value of the existing shares of the same class, with elimination of the preferential subscription right of the existing shareholders within the framework of the double capital increase as envisaged in item 2 of the agenda;
2. Double capital increase in a maximum total amount of EUR 6,000,000, composed of a first capital increase in 2016 (hereinafter the “2016 Capital Increase”) in a maximum amount of EUR 5,300,000 and a second capital increase to be effected in 2017 (hereinafter the “2017 Capital Increase”) in a maximum amount of EUR 700,000, by means of the issue of new class B shares, with elimination of the preferential subscription right of the existing shareholders in favour of the personnel of the company and its Belgian subsidiaries, as the case may be at below the par value of the existing shares of the same class;

Proposed resolution: the Extraordinary General Meeting of Shareholders resolves:

1° to increase the capital within the framework of the 2016 Capital Increase with elimination of the preferential subscription right of the existing shareholders in favour of members of the personnel of the company and its Belgian subsidiaries, by a maximum of EUR 5,300,000, by means of the issue of new class B shares subscribed in cash and fully paid up, which have the same rights and benefits as the existing class B shares and which will participate in the profits of the company as from 1 January 2016. The 2016 Capital Increase will be composed of (i) a tax part, (ii) a guaranteed part and (iii) a supplementary part. The maximum amount of the tax part equals EUR 750 per member of the personnel of the company and its Belgian subsidiaries that satisfies the criteria for subscribing to the 2016 Capital Increase. The maximum amount of the guaranteed part depends on the gross monthly wage of the various groups of members of the personnel of the company and its Belgian subsidiaries (for the members of the Management: maximum 2 x their gross monthly wage; for the executives: maximum 1.1 x their gross monthly wage; for the employees: maximum 0.7 x their gross monthly wage with the exception of the fixed index amount). The maximum amount of the supplementary part equals the difference between EUR 5,300,000 and the total amount of the tax and guaranteed parts that are actually subscribed. The Extraordinary General Meeting of Shareholders decides to fix the issue price at a price equal to the average of the closing prices of the last thirty calendar days preceding 25 October 2016, reduced by 16.66%.

2° to increase the capital within the framework of the 2017 Capital Increase with elimination of the preferential subscription right of the existing shareholders in favour of members of the personnel of the company and its Belgian subsidiaries, by a maximum of EUR 700,000, by means of the issue of new class B shares subscribed in cash and fully paid up, which have the same rights and benefits as the existing class B shares and which will participate in the profits of the company as from 1 January 2017. The Extraordinary General Meeting of Shareholders decides to fix the issue price at a price equal to the average of the closing prices of the last thirty calendar days preceding 31 January 2017, reduced by 16.66%. The maximum amount of the 2017 Capital Increase equals the maximum tax advantage that a member of the personnel will be able to enjoy in the tax declaration of 2018 (revenues 2017), multiplied by 80% of the total number of members of the personnel of the company and its Belgian subsidiaries that satisfy the criteria for subscribing to the 2017 Capital Increase, with an absolute maximum of EUR 700,000. If the amount of the maximum tax advantage has not yet been determined on 31 January 2017, an amount of EUR 750 will be applied per member of the personnel of the company and its Belgian subsidiaries.

The Extraordinary General Meeting of Shareholders decides that the shares to be issued within the framework of the 2016 Capital Increase and within the framework of the 2017 Capital Increase are non-transferable for a term of two years after their respective issues. The Extraordinary General Meeting of Shareholders decides that, if the 2016 Capital Increase and the 2017 Capital Increase are not fully placed, the capital will be increased by the amount of the placed subscriptions.

3. Power of attorney regarding the Capital Increases mentioned in item 2 of the agenda.

Proposed resolution: the Extraordinary General Meeting of Shareholders resolves to grant power of attorney to two directors, acting jointly, (i) to fix the issue price of the 2016 Capital Increase in accordance with the formula mentioned under item 2.1° of the agenda, (ii) to fix the issue price of the 2017 Capital Increase in accordance with the formula mentioned under item 2.2° of the agenda, (iii) to fix the number of shares to be issued, the criteria for subscription by the personnel of the company and its Belgian subsidiaries and the periods for subscription, both for the 2016 Capital Increase and for the 2017 Capital Increase, on the basis of the report of the Board of Directors mentioned in item 1 of the agenda and (iv) to procure recording of complete or partial realization of the 2016 and 2017 Capital Increases in two notarial deeds and to adjust the articles of association accordingly.

PRACTICAL PROVISIONS

In accordance with section 536, §2, of the Belgian Companies Code and in application of article 27 of the articles of association, the shareholders and bondholders are admitted to the Ordinary General Meeting of Shareholders and to the Extraordinary General Meeting of Shareholders and can, as the case may be, exercise their voting rights there (it being understood that, in

accordance with section 537 of the Belgian Companies Code, bondholders can only attend the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders with consultative voting rights) if the company can determine that, on Tuesday, 3 May 2016, at 12.00 midnight (Belgian time) (the “**Record Date**”), they held the numbers of shares and bonds in respect of which they intend to attend the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders, irrespective of the number of shares or bonds which they hold on the date of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders.

In order to be able to participate at and, as the case may be, to vote at the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders, the shareholders and bondholders must comply with the following formalities:

- **For holders of registered shares and bonds:**

Holders of registered shares or bonds must in accordance with article 27 of the articles of association notify the company by letter, fax or e-mail no later than Wednesday, 11 May 2016, the number of shares or bonds in respect of which they intend to attend the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders.

Possession of the said shares or bonds by the share- or bondholders concerned on the Record Date will be verified by the company on the basis of their entry in the share register or bond register of the company.

- **For holders of dematerialized shares and bonds:**

Holders of shares or bonds held on a securities account must demonstrate possession of the number of dematerialized shares or bonds by means of a certificate issued by a recognized account holder with the clearing agency for the shares or bonds of the company, or by means of a certificate issued by the clearing agency itself, confirming the number of shares or bonds registered in the name of the shareholder or the bondholder on the Record Date (i.e. on Tuesday, 3 May 2016, at 12.00 midnight), and in respect of which the shareholder or bondholder has indicated its desire to participate at the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders.

The certificate that is issued by the recognized account holder or by the clearing agency must be sent to the company by letter, fax or e-mail, it being understood that, in accordance with article 27 of the articles of association, the certificate must reach the registered office of the company by Wednesday, 11 May 2016.

PROXY FORMS

Shareholders that wish to be represented in accordance with sections 547 and 547bis of the Belgian Companies Code must, besides fulfilling the aforementioned registration formalities, use the proxy forms drawn up for the Ordinary General Meeting of Shareholders and for the Extraordinary General Meeting of Shareholders.

These proxy forms are at shareholders' disposal at the registered office and on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu).

The dated and signed proxy forms must be sent to the company by registered letter, fax or e-mail, it being understood that, in accordance with article 24.3 of the articles of association, the forms must reach the registered office of the company by Wednesday, 11 May 2016.

If notification is given by fax or e-mail, the original proxy must subsequently be lodged with the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders.

If one or more shareholders holding alone or together three per cent (3%) of the share capital of the company should exercise its/their right in accordance with section 533ter of the Belgian Companies Code to add one or more items to the agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders and to file proposed resolutions relating to items already on or to be added to the agenda, the company will make adjusted proxy forms available on its website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu). More detailed information on this can be found on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu).

FORMS TO VOTE BY LETTER

Shareholders that so wish may, in accordance with section 550 of the Belgian Companies Code, vote by letter on the proposed resolutions which are included on the agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders. Shareholders wishing to vote by letter, must, in addition to fulfilling the aforementioned registration formalities, use the forms drawn up for the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders.

These forms to vote by letter are at shareholders' disposal at the registered office and on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu).

The dated and signed forms to vote by letter must be sent to the company by registered letter, fax or e-mail, it being understood that, in accordance with article 28.3 of the articles of association, the forms must reach the registered office of the company by Wednesday, 11 May 2016.

If notification is given by fax or e-mail, the original form must subsequently be lodged with the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders.

If one or more shareholders holding alone or together three per cent (3%) of the share capital of the company should exercise its/their right in accordance with section 533ter of the Belgian Companies Code to add one or more items to the agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders and to file proposed resolutions relating to items already on or to be added to the agenda, the company will make adjusted forms to vote by letter available on its website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu). More detailed information on this can be found on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu).

THE RIGHT TO ADD AGENDA ITEMS AND FILE PROPOSED RESOLUTIONS

One or more shareholders holding alone or together three per cent (3%) of the share capital of the company can, in accordance with section 533^{ter} of the Belgian Companies Code and article 26.1, second paragraph, of the articles of association, request the company in writing to add one or more items to the agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders, and to include proposed resolutions relating to items already on or to be added to the agenda.

The company must receive the aforementioned written requests by registered letter or e-mail no later than Monday, 25 April 2016, at 4.00 p.m. (Belgian time).

In any such case, the company will publish the revised agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders by Monday, 2 May 2016.

More detailed information on this can be found on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu).

THE RIGHT TO ASK QUESTIONS

The shareholders and bondholders may, in accordance with section 540 of the Belgian Companies Code and article 24.1, last paragraph, of the articles of association, before the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders send the company by registered letter or e-mail, their questions with regard to the reports by the Board of Directors and the statutory auditors, as well as with regard to other items on the agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders.

The company must receive these written questions by registered letter or e-mail by Wednesday, 11 May 2016.

More detailed information about how to exercise this right to ask written questions can be found on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu).

AVAILABLE DOCUMENTS

The reports of the Board of Directors and of the statutory auditors, drawn up in accordance with sections 582 and 596 of the Belgian Companies Code, the annual accounts and consolidated annual accounts (IFRS) of the company for the financial year ended 31 December 2015 as well as the reports by the Board of Directors (including the remuneration report for the financial year ended 31 December 2015) and by the statutory auditors on the annual accounts and the consolidated annual accounts (IFRS) can be viewed on the company's website under "*Investor Relations*" - "*Shareholders' meeting*" (www.eliagroup.eu) and are available at the company's registered office.

NOTIFICATIONS TO THE COMPANY

All notifications to the company by virtue of this notice must be submitted to the company's postal or e-mail address or fax number, as follows:

- Address: Elia System Operator NV
For the attention of Mr Gregory Pattou
Secretary-General
Boulevard de l'Empereur 20
B-1000 Brussels
Belgium
- Fax number: +32 2 546 71 30 – for the attention of Mr Gregory Pattou
- E-mail address: gregory.pattou@elia.be

The Board of Directors