

Rules Governing the Executive Board

These rules (the "**Rules**") were established by the Executive Board (the "**Executive Board**") of TenneT Holding B.V. (the "**Company**" or "TenneT") on 22 November 2018 and were approved by the Company's Supervisory Board (the "**Supervisory Board**") on 29 November 2018.

The Executive Board may consist of statutory members (voting members) and non-statutory members. If not explicitly stated otherwise, the Rules are applicable for both statutory members and non-statutory members (collectively the "**Members**").

Article 1 Status and contents of the Rules

- 1.1 The Rules are issued pursuant to article 23.1 of the Company's articles of association and complement any rules and regulations that apply to the Executive Board under Dutch law or the Company's articles of association.
- 1.2 Where the Rules are inconsistent with the Company's articles of association or Dutch law, the articles of association and Dutch law shall prevail. Where the Rules conform to the Company's articles of association but are inconsistent with Dutch law, Dutch law shall prevail. If one or more provisions of the Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Executive Board shall replace the invalid provisions by valid provisions. Where possible, the effect of those valid provisions shall, given the content and purpose of the Rules, be similar to those of the invalid provisions.
- 1.3 The Rules are issued taking into account the current Dutch Corporate Governance Code ("the **Code**"). TenneT complies with the Dutch Corporate Governance Code, in accordance with the requirements of its Shareholder and TenneT's belief in the importance of transparency. This provides TenneT and its group companies with clear operating guidelines.
- 1.4 The Rules are issued taking into account the TenneT Code of Conduct ("Code of Conduct") as published on the intranet of TenneT. The TenneT Code of Conduct is based on the key elements of the core values of TenneT: quality and integrity. Where the Rules are inconsistent with the Code of Conduct, the Code of Conduct shall prevail.
- 1.5 With setting the Rules the Executive Board unanimously declared that:
 - a) it will comply with and be bound by the obligations arising from the Rules;
 - b) it will cause newly appointed members of the Executive Board to issue a declaration as referred to in subparagraph a.
- 1.6 The Rules are published on the Company's website, www.tennet.eu.



Article 2 Responsibilities of the Executive Board

- 2.1. The members of the Executive Board shall be collectively responsible for the management of the Company, the general conduct of the Company's business, and, if applicable, the conduct of its business in the group companies.
- 2.2. The members of the Executive Board shall allocate their duties by mutual agreement. If a member of the Executive Board is absent for more than 4 (four) weeks, his/her duties and powers shall be exercised by a member designated by the Chair of the Executive Board (or by the Executive Board in case of absence of more than 4 (four) weeks of the Chair of the Executive Board). In the case of an absence of more than 4 (four) weeks, the Supervisory Board shall be informed of the designation.
- 2.3. Each member of the Executive Board shall report on his/her duties to the Executive Board on a regular basis and in such a manner as to give the Executive Board – also having regard to its collective responsibility - a good understanding of the performance of duties.
- 2.4. Each member of the Executive Board shall be entitled to obtain information from other Executive Board members and employees where he/she deems this useful or necessary, also having regard to his collective responsibility for the management of the Company. He/she must consult with the other members of the Executive Board if the implementation of his duties affects the implementation of their duties or if the significance of the matter requires such consultation.
- 2.5. In carrying out its duties, the Executive Board shall be guided by continuity of the Company and of its group companies. It shall thereto take into account the relevant interests of all stakeholders involved.. The Executive Board is responsible for the quality of its own performance.
- 2.6. Each member of the Executive Board shall act with the utmost integrity, in accordance with TenneT's Code of Conduct, and shall be aware of and take into account the exemplary role she/he plays.
- 2.7. The responsibilities of the Executive Board shall include:
 - a) realisation of the Company's objectives;
 - b) determining the Company's strategy and the policy designed to realise the objectives;
 - c) complying with laws and regulations;
 - d) complying with the Code;
 - e) the general conduct of business in the Company and the results of the Company;
 - f) assessing and managing the risks connected with the Company's business activities;
 - g) setting up and maintaining an effective risk management and business control system;
 - h) setting up and maintaining the financial reporting process;
 - i) preparing the annual accounts and drawing up the annual budget and resolutions concerning important capital investments of the Company;
 - j) appointing employees reporting to it;
 - h) determining and implementing long-term value creation strategy and the principal risks and controls associated with it;
 - i). the appointment or dismissal of the senior internal auditor, after approval of the Supervisory Board.
- 2.8. Every year the Executive Board shall draw up a medium term plan and a 10 years ahead investment plan for the Company and its group companies. In addition, the Executive Board shall annually draw up a budget for the following year which requires the approval of the Supervisory Board.
- 2.9. The Executive Board shall be responsible for introducing and maintaining internal procedures to ensure that the Executive Board is aware of all important (financial) information, so as to safeguard timely, complete and accurate external (financial) reporting. For that purpose, the Executive Board



shall ensure that the (financial) information originating from group companies is reported without undue delay and that the integrity of the information is not affected.

- 2.10 After the end of each financial year the Executive Board shall prepare and publish a report on its performance and activities during that financial year. The report shall at least include the information required by law and the Code.
- 2.11 Under the approval of the Supervisory Board, the Executive Board shall appoint and dismiss the Company Secretary. The Company Secretary supports the Executive Board and the Supervisory Board and shall see to it that correct procedures will be followed and that both Boards shall act according the legal and statutory obligations.

Article 3

Composition, expertise and independence of the Executive Board

- 3.1. The General Meeting of Shareholders ("**General Meeting**") determines the number of statutory members of the Executive Board.
- 3.2. The Executive Board shall have a Chair who is responsible for the proper performance of the Executive Board. In addition, the Executive Board shall have a member specifically charged with the Company's financial matters as well as a member specifically charged with the Company's operational matters. The Executive Board can have a vice-chair who substitutes the Chair by its absence or inability to act, respectively.
- 3.3. In carrying out its duties, the Executive Board shall be independent from instructions of parties outside the Company.
- 3.4 A member of the Executive Board may not:
- enter into competition with the Company;
 - demand or accept (substantial) gifts from the Company or any of its suppliers for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
 - provide unjustified advantages to third parties to the detriment of the Company; and
 - take advantage of business opportunities to which the Company is entitled for himself or his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

Article 4

Chair of the Executive Board

- 4.1 The Chair of the Executive Board shall be designated by the Supervisory Board. The Supervisory Board can also designate a Vice-Chair of the Executive Board as a substitute for the Chair by its absence or inability to act, respectively.
- 4.2 In addition to the coordination of the policy of the Executive Board, the Chair shall also be responsible for:
- ensuring that the Executive Board is functioning effectively;
 - ensuring that the budgets and policies are drawn up in a timely manner;
 - supporting the other members of the Executive Board;
 - ensuring that there is ample time for consultation, discussion, and the other aspects of preparing resolutions at, and reporting of the meetings, of the Executive Board, and supervising the implementation of resolutions of the Executive Board;



- ensuring that the annual accounts and corresponding annual report and the six-monthly and quarterly figures are drawn up and submitted to the Supervisory Board;
- chairing the meetings of the Executive Board;
- ensuring that information to the members of the Executive Board, as necessary for the proper fulfilment of their duties, is submitted in a timely and adequate manner;
- maintaining contact with the Supervisory Board and in particular the Chair of the Supervisory Board, and providing the other members of the Supervisory Board with timely and adequate information about the outcome of those contacts;
- ensuring that information to the members of the Supervisory Board, its committees and its individual members, as necessary for the proper fulfilment of their duties, is submitted in a timely and adequate manner;
- cooperating in the assessment of the performance the Executive Board collectively and its members individually by the Supervisory Board.

Article 5

Management positions at group / non-group entities

- 5.1 Management positions at group companies of the Company can arise from the position as member of the Executive Board and shall in principle accordingly be subject to the provisions of the Rules.
- 5.2 An Executive Board member must obtain the Supervisory Board's approval before putting himself forward as a candidate for a management or supervisory position at an entity other than a group entity as described under 5.1. in case this envisaged management or supervisory position does not arise from the position as member of the Executive Board. The position must not be in conflict with the Company's interests.

Article 6

Remuneration, declaration of expenses

- 6.1 The remuneration of the members of the Executive Board shall be determined by the Supervisory Board in accordance with the Company's remuneration policy as adopted by the General Meeting of Shareholders.
- 6.2 The members of the Executive Board will comply with the Company's expense policy. Reimbursement of expenses of members of the Executive Board require authorisation by the Chair of the Executive Board; reimbursement of expenses of the Chair of the Executive Board require authorisation of the Chair of the Supervisory Board.

Article 7

Executive Board meetings (agenda, teleconferencing, attendance, minutes) and resolutions

- 7.1. The Executive Board shall, where possible, hold at least one meeting every two weeks and whenever one or more of its members have requested a meeting. Executive Board meetings shall generally be held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 7.2. The Chair of the Executive Board, and if applicable, the vice-Chair in his/her absence, shall chair the meeting. If both the Chair and the Vice-Chair are absent, the meeting shall appoint a chair.



- 7.3. Meetings shall be convened in a timely manner by the Chair of the Executive Board. Every other member of the Executive Board may request that the Chair convenes a meeting.
- 7.4. The Chair shall set the agenda for each meeting. Every other member of the Executive Board may submit agenda items to the Chair of the Executive Board for discussion at the meeting.
- 7.5. At the request of any member of the Executive Board, urgent matters may be dealt with immediately or at an extra meeting, provided that the majority of the other members agree.
- 7.6. If members of the Executive Board are unable to attend a meeting of the Executive Board and the minutes of the meeting require an explanation, the Chair of the meeting shall inform them of the resolutions passed and discussions held at the meeting.
- 7.7. The Executive Board may only validly adopt resolutions in a meeting at which at least the majority of its voting members is present or represented.
- 7.8. The Executive Board may also adopt resolutions outside a meeting, provided that all voting members have expressed in writing that they are in favour of the proposal.
- 7.9. Where possible, resolutions shall be adopted by unanimous vote. If there is insufficient agreement on certain matters during the meeting, the Chair of the Executive Board may defer these matters for further discussion. If this is not possible or an unanimous vote is also not reached after further discussion, the resolution shall be adopted by a majority of the votes of statutory members. If there is a tie, the Chair of the Executive Board shall have the casting vote. In such a case, the Chair will inform the Supervisory Board about the matter.
- 7.10. The minutes of the Executive Board meetings shall be adopted in the next meeting. Adopted minutes shall serve as evidence of the matters discussed and decisions taken.

Article 8 Conflict of interest

- 8.1. An Executive Board member shall not participate in the discussions and have no voting rights on a subject or transaction in relation to which he/she has a conflict of interest with the Company within the meaning of this article 8.1, the TenneT Corporate Conflict of Interest Policy or in relation to which he/she has a direct or indirect personal interest that conflicts with the interests of the Company ("**Conflict of Interest**"). A transaction as referred to above must be concluded on terms at least customary in the sector concerned. If the Executive Board is unable to adopt a resolution as a result of this, the resolution shall be adopted by the Supervisory Board.

A member of the Executive Board shall in any event have a Conflict of Interest if:

- a) he/she has a material personal financial interest in an entity that the Company intends to enter into a transaction with;
- b) he/she is the spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree of a member of the Executive Board of an entity that the Company intends to enter into a transaction with;
- c) he/she holds a management or supervisory position in an entity that the Company intends to enter into a transaction with;
- d) he/she stands to personally gain from a decision of the Company;
- e) such a conflict of interest exists or is deemed to exist under applicable law;
- f) the Chair of the Supervisory Board has ruled that such conflict of interest exists or is deemed to exist.



- 8.2 Each member of the Executive Board shall immediately report any (potential) Conflict of Interest to the Chair of Supervisory Board and the other members of the Executive Board. Each member of the Executive Board with a (potential) Conflict of Interest must provide all information relevant thereto to the Chair of the Supervisory Board and the other members of the Executive Board, including the information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree. In all circumstances other than those listed in article 8.2 subparagraphs d and e the Chair of the Supervisory Board shall determine whether a reported (potential) conflict of interest qualifies as a Conflict of Interest to which article 8.1 applies.
- 8.3 The Chair of the Supervisory Board shall ensure that transactions as referred to in article 8 are mentioned in the Executive Board's annual report, specifying the Conflict of Interest and stating that articles 8.1, 8.2 and 8.3 as well as the TenneT Corporate Conflict of Interest Policy have been complied with.

Article 9 Insider Trading

Each member of the Executive Board will act compliant to the "TenneT Insider Trading Rules" as approved by the Supervisory Board.

Article 10 Complaints, notification of irregularities

- 10.1 The Executive Board shall ensure that complaints received by the Company with regard to the financial reporting, the internal risk management and control systems, and the audit are received, recorded and dealt with.
- 10.2 The Executive Board shall ensure that employees of the Company have the opportunity, without jeopardising their legal position, to report alleged irregularities within the Company of a general, operational, financial or personal nature to the Chair of the Executive Board or to an officer designated by him, or:
- if it concerns the performance of members of the Executive Board, to the Chair of the Executive Board or Chair of the Supervisory Board, or
 - if it concerns the performance of the Chair of the Executive Board, to the Chair of the Supervisory Board.

Article 11 Information to the Supervisory Board

- 11.1 The Executive Board shall provide the Supervisory Board with timely, and where possible, written, information on all facts and developments concerning the Company which the Supervisory Board may need to carry out its duties.
- 11.2 The Executive Board shall provide the Supervisory Board on a quarterly basis with a report prepared in a format as agreed from time to time and setting out detailed information on matters such as security of supply, safety, investments, finance, staff, long-term value creation, risk management and information technology.
- 11.3 Each year the Executive Board shall provide the Supervisory Board with a budget for the coming year, an up-to-date version of its medium-term plans including the general and financial risks and controls of the Company. In addition, the Executive Board shall issue an annual declaration that it has provided the Supervisory Board with all relevant information required for the due performance of



its duties. These documents shall be provided in time so as to enable the Supervisory Board to give its approval of the budget for the next calendar year before the end of the then current year.

Article 12

Information to the Shareholder

- 12.1 The Executive Board shall provide the General Meeting on a quarterly basis with a report prepared in a format as agreed from time to time and setting out detailed information on matters such as security of supply, safety, investments, finance and staff, long-term value creation, risk management and information technology.
- 12.2 Each year the Executive Board shall provide the General Meeting with a budget for the coming year, an up-to-date version of its medium-term plans, including the general and financial risks and controls of the Company.
- 12.3 The statutory members of the Executive Board shall attend the General Meeting, unless they are prevented from attending on valid grounds or the General Meeting has indicated that it wishes to meet without the presence of the Executive Board or one of its members.
- 12.4 The Executive Board shall provide the General Meeting with any information it may require, unless important interests ("*zwaarwegende belangen*") of the Company or any rules of law prevent it from doing so. The Executive Board shall clearly state the reasons for invoking important interests.

Article 13

Confidentiality

Each member of the Executive Board shall treat all information and documentation obtained in connection with his position as member of the Executive Board with the necessary discretion, integrity, and, in the case of classified information, with the appropriate confidentiality. Members and former members of the Executive Board shall refrain from disclosing confidential information outside the Executive Board or the Supervisory Board, or making it public, or otherwise making it available to third parties, unless the information has been made public by the Company or it has been established that the information is already in the public domain.

Article 14

Decision to render Rules inoperative, amendment

- 15.1 Without prejudice to the provisions of article 1.2 the Executive Board may, with the Supervisory Board's approval, occasionally resolve at its sole discretion not to comply with the Rules. Such resolutions shall be mentioned in the Executive Board's annual report.
- 15.2 Without prejudice to the provisions of article 1.2 the Rules may be amended by a resolution of the Executive Board subject to the Supervisory Board's prior approval. Such resolutions shall be mentioned in the Executive Board's annual report.

Article 15

Governing law and jurisdiction

The Rules shall be governed by and construed in accordance with the laws of the Netherlands.