

Eneco Groep

SHAREHOLDERS' COVENANT

I. Introduction

Eneco Holding N.V. (**Eneco**) has split its energy production, supply and trading business (the **Energy Company**) off from its infrastructure and network management company (the **Network Company**) in accordance with the obligations imposed by the Independent Grid Management Act (the **Division**).

Eneco was converted within the context of the Division into the new holding company for the Network Company (currently named 'Stedin Holding N.V. '), and a newly-formed company named Eneco Groep N.V. acts as the holding company for the Energy Company. The shares in Eneco Groep N.V. were distributed to the Eneco shareholders within the context of the Division by way of an interim distribution in kind.

As part of the preparations for the Division, Eneco representatives consulted with a representation of the shareholders' committee (**SHC**) of Eneco shareholders about the governance of both holding companies for the Network Company and the Energy Company respectively.

This resulted in agreement on the articles of association of Eneco Groep N.V. and led to this covenant, which is an addition to the governance of the Energy Company as set out in the articles of association. This covenant replaces any previous agreements between the shareholders and Eneco and becomes effective at the moment of the Division.

For the rest, this covenant does not alter the division of duties and powers of the board of management, the supervisory board and the shareholders' meeting according to the law and the articles of association.

The parties have discussed which legal remedies provided for in law and the articles of association are available to the shareholders within the context of the enforcement of the agreements laid down in this covenant, which legal remedies include:

- (i) challenging the board of management and the supervisory board as regards compliance with the agreements that were reached;
- (ii) the right to put items on the agenda (pursuant to Article 2:114 of the Dutch Civil Code and article 20.3 of the articles of association) and the right to convene an AGM (pursuant to Article 2:110 of the Dutch Civil Code and article 20.2 of the articles of association) in order to discuss compliance with the covenant;
- (iii) preliminary relief granted by the Enterprise Division (pursuant to Article 2:349a of the Dutch Civil Code); and
- (iv) pass a resolution of no confidence in the supervisory board while stating reasons (pursuant to Article 2:161a of the Dutch Civil Code and article 18.14 of the articles of association).

II. Supervisory Board profile

The supervisory board adopts a profile concerning its size and composition, taking into account the nature of the company, its activities and the desired expertise and background of the supervisory directors. Before the supervisory board adopts the profile, it will first consult with the SHC and it will then discuss the profile at a general meeting of shareholders (**AGM**).

It will be laid down in the profile that at least one supervisory director has sufficient knowledge of and experience with (i) public administration, or (ii) companies or business units of companies that perform a public task, or (iii) companies that have government agencies as shareholders.

If the supervisory board intends to change the substance of the profile, it will discuss the proposed change(s) with the SHC first.

III. Nomination of members of the Supervisory Board

The full two-tier board structure applies with respect to the appointment of supervisory directors at the Energy Company. The following applies supplementary to the supervisory director appointment scheme in accordance with the full two-tier board structure:

- In the event a vacancy arises on the supervisory board, which is not a vacancy as a result of the expiry of a term that can be filled by means of reappointment, but which will have to be filled by the appointment of a new member to be requested), the supervisory board will engage a professional search agency for the selection of a new candidate. The agency will be instructed to draw up a long list of candidates with due observance of the supervisory board profile. Candidates on the short list will be sounded out by the supervisory board to establish whether they would be interested in the position. The supervisory board's nomination committee will make a selection on the basis of this list and draw up a short list of preferred candidates.
- The chairman of the supervisory board will submit the short list to the SHC representation subject to a duty of confidentiality. The SHC representation will be afforded the opportunity to express its opinion in this regard. In addition, the SHC representation will be afforded the opportunity to suggest suitable candidates on behalf of the shareholders for placement on the short list if the vacancy on the supervisory board gives reason for doing so.
- The nomination committee of the supervisory board will conduct interviews with potential candidates on the short list. The chairman of the supervisory board will discuss the draft nomination with the SHC representation subject to a duty of confidentiality before the nomination committee of the supervisory board adopts a definitive resolution concerning the candidate to be nominated.

IV. Appointment of managing directors

The following applies supplementary to the managing director appointment scheme in accordance with the full two-tier board structure:

- In the event a vacancy arises on the board of management, which is not a vacancy as a result of the expiry of a term that can be filled by means of reappointment, but which will have to be filled by the appointment of a new member to be requested), the supervisory board will first consider internal candidates and assess whether it considers there is a suitable internal candidate for filling the vacancy.
- The supervisory board will engage a professional search agency for the selection of candidates in the absence of an internal candidate for succession. The nomination committee of the supervisory board will draw up a profile for the vacancy in consultation with the search agency. The agency will be instructed to draw up a long list of candidates based on the profile. The nomination committee of the supervisory board then draws up a short list of preferred candidates who will be sounded out concerning the position that has become available.

- Either the internal candidate or the short list of candidates for the board of management vacancy will be discussed with an SHC representation subject to a duty of confidentiality. The nomination committee of the supervisory board will conduct interviews with potential candidates. The chairman of the supervisory board will discuss the draft nomination with the SHC representation subject to a duty of confidentiality before the nomination committee of the supervisory board makes a definitive choice as regards the candidate to be nominated.

V. Remuneration policy

The company's remuneration policy is adopted by the AGM on the recommendation by the supervisory board. The following applies in addition thereto and by way of a more detailed specification:

- The supervisory board will formulate a proposal for the remuneration policy that applies to the remuneration of managing directors within a reasonable term after the Division, which proposal will be submitted to the AGM. The proposal will be accompanied by a sound substantiation, including a professional peer comparison.
- The supervisory board draws up bonus criteria in accordance with the remuneration policy and discusses these with the Eneco board of management. The supervisory board decides to what extent these bonus criteria have been satisfied after the year has ended. Prior to the adoption of the bonus, the supervisory board informs the SHC of the amount of the bonus payment, so that the SHC can provide its opinion to the supervisory board before the resolution to award the bonus is adopted.
- The supervisory board will also formulate a proposal for the remuneration of supervisory directors at the same time as the policy on the remuneration of managing directors, which proposal will be also submitted to the AGM. This proposal too will be accompanied by a sound substantiation, such as a professional peer comparison.
- The supervisory board (through its remuneration committee) consults with the SHC about the remuneration policy proposal.

VI. Strategy

The determination of the strategy of the company and its business is in principle a matter for the board of management, which is supervised by the supervisory board, and the AGM has the right to express its opinions during regular SHC consultations, which opinions it can press home by exercising the rights conferred on it in the articles of association and in law.

The following will apply in this connection with respect to the strategy of the company and its business:

- The general approach is that after the Division the Energy Company intends to continue the strategy that Eneco had formulated for the Energy Company prior to the Division.
- The board of management will formulate a strategic long-term plan (the **Strategic Plan**) as soon as possible after the Division, which plan is to be approved by the supervisory board. The Strategic Plan includes a time horizon of several years (three years for example) and will be updated annually in the first six months of each year. The first year of the Strategic Plan is translated in the second half of each year into an annual plan for the next year, including the budget with expected investments, including acquisitions and replacement investments) (the **Annual Plan**).

IN ADDITION TO/BELONGING TO THE ARTICLES OF

- After the Strategic Plan and the Annual Plan have been adopted and approved by the board of management and the supervisory board, the board of management will explain them to the SHC, with such interaction at board level that the SHC is afforded the opportunity to properly form an opinion in this connection. Such an explanation will be provided again with respect to the new Annual Plan. In the event of a drastic change to the Strategic Plan, such an explanation will also be provided again.
- The board of management will present the general features of the Strategic Plan during the AGM and during the term of the Strategic Plan it will inform the AGM in broad outline of the progress of its implementation.

VII. Major investment decisions

Supplementary to the aforementioned manner of explanation to and discussion of the Annual Plan and the Strategic Plan with the SHC and the explanation of the general features of the Strategic Plan at the AGM, the board of management, under the supervision of the supervisory board, shall inform the SHC of major investment decisions as described below (**Major Investment Decisions**) and explain these to the SHC, with such interaction at board level that the SHC is afforded the opportunity to properly form an opinion in this connection. Such informing and explaining of Major Investment Decisions will take place before the supervisory board adopts a resolution in this connection.

A Major Investment Decision comprises a resolution to perform an investment (acquisition and capex, albeit with the exception of replacement investments) by the company that are not foreseen in the Strategic Plan and/or the Annual Plan and the relevant investment:

- (i) exceeds an amount of EUR 100 million; or
- (ii) concerns an investment in respect of which the board of management or the supervisory board has clear indications that it is surrounded by major political sensitivities; or
- (iii) would comprise a significant substantive strategic change when compared to framework outlined the most recent Strategic Plan that was presented for information.

VIII. Relationship with shareholders

The supervisory board's supervision of the board of management and the business also comprises supervision of the relationship with the shareholders.

The supervisory board shall ensure in this connection inter alia that the board of management explains the reasons for Major Investment Decisions to the AGM and reports thereon in the management report in the financial statements for the year in which Major Investment Decisions are made.

Shareholders are required to act towards the company, its bodies and their fellow shareholders in accordance with the standards of reasonableness and fairness. Following on from the above, shareholders shall also be willing to enter into dialogue with the board of management, the supervisory board, the company and their fellow shareholders.

A shareholder therefore exercises the right to place items on the agenda only after having consulted with the board of management. If the item to be placed on the agenda concerns the company's strategy, including the performance of the supervisory board or the board of management, the board of management will be afforded the opportunity to invoke a reasonable term (of 60 days after a request for placing an item on the agenda pursuant to Article 2:114a of the Dutch Civil Code) to respond to such a request (response time). This also applies to a request for convening a general meeting.

IX. SHC

Regulations concerning the composition and internal procedure of the SHC will be elaborated jointly.

The interaction between the board of management and the supervisory board on the one hand and the SHC on the other, as envisaged in this covenant, shall take place at board level in principle.

If the SHC (board level) considers it necessary to engage external advisors, it will first notify the board of management and the supervisory board of the assignment to be granted and the advisor to whom this assignment will be granted.

The supervisory board will inform the SHC of a resolution adopted by the supervisory board as referred to in article 17.3 of the articles of association (i.e. with respect to the importance - to be determined by the supervisory board - to approval decisions by the board of management).

X. Shareholder base

In future, after the Division, there may be possibilities for changes to the shareholder base, for example as a result of full or partial sale. This is a matter that is not at the sole discretion of the company and it is not at the sole discretion of the shareholders either. The board of management, the supervisory board and the SHC will therefore seek to cooperate on the realisation of an organised process of new shareholders joining (a **Process**). The aim of such cooperation is to create support for a possible transaction that is the intended purpose of the Process, in such a manner that:

- (i) the shareholders are enabled in an organised and balanced manner to adopt a resolution concerning a possible full or partial sale of their interest in the Energy Company; and
- (ii) the company continues to be able to carry out its sustainable strategy;
- (iii) a value in line with the market is realised for shareholders; and
- (iv) the continuity and stability of the company will be assured.

XI. Deviations, amendments and term of this shareholders' covenant

The company and the SHC may decide in mutual consultation to deviate from the provisions of this covenant if there is reason for doing so in specific cases.

In the event of developments of material importance at the Energy Company after the Division that give reason to amend this shareholders' covenant, the relevant company and its SHC will consult in respect thereof.

This cooperation covenant is concluded for an indefinite period.

Without prejudice to the statutory options of termination, each party to this covenant has the right in the event of a drastic change to the company or the shareholder base of that company, to terminate this cooperation covenant with due observance of a reasonable term with respect to the relevant company, but not until after consultations have been conducted with the other parties in good faith concerning suitable replacement arrangements.

XII. Confidentiality

Within the statutory framework and with due observance of the relevant statutory provisions, the SHC representatives shall do and omit everything within their power to guarantee in an adequate manner the confidentiality of all information that is made available to the SHC representatives directly or indirectly in writing or digitally or in any other form by Eneco on the basis of this covenant or the articles of association and they shall not disclose or make this information available to third parties to the extent permitted by law.