

Report of the Supervisory Board

In our role as the Supervisory Board, we supervise the implementation of the strategy, the objectives, the policy of the Management Board, and the operations in general at Alliander. In addition, we offer the Management Board solicited and unsolicited advice. We also serve as the employer of the Management Board and maintain contacts with internal and external stakeholders. In this report, we render an account of how we performed our duties in 2019.

Topics

Strategy

The Supervisory Board supervises the manner in which the Management Board pursues the strategy, including long-term value creation. Social, economic and financial sustainability is essential for the achievement of long-term value creation. For this reason, the Sustainable Development Goals are integrated into the strategy and impact measurement is used as a key instrument. Balanced choices need to be made, taking account of the interests of all stakeholders. In April, the annual strategy session between the Supervisory Board and the Management Board was held, during which specific strategy-related topics were discussed, including developments in the field of hydrogen and heating, and the way in which culture and leadership contribute to implementing the strategy. Looking back on this session, the Supervisory Board feels positive about the open, lively discussions on these topics with the Management Board. We have also been regularly updated on the current status of significant strategic matters, such as the progress of the work in the work package, the energy transition portfolio, the heating transition, cost-conscious and efficient operations, and deploying knowledge and tools for use by customers and fellow network operators. The Supervisory Board is of the opinion that bringing about the energy transition – in combination with issues like the growing economy, the shortage of technicians, and the financeability of the major investments required in the context of the energy transition – is the most crucial task for Alliander so far.

Achievement of corporate objectives

Each year, Alliander draws up an integrated business plan in which the strategic objectives are translated into concrete and measurable operational corporate objectives. The specific corporate objectives that Alliander sets itself in a year are, as far as possible, defined in measurable financial and non-financial KPIs. Each quarter, the Management Board reports to the Supervisory Board on the interim results achieved in regard to these objectives. This enables the Supervisory Board to closely monitor the progress on the objectives, and adjustments can be made where necessary. We note with satisfaction that the present annual report shows that the objectives for 2019 have been achieved to a significant extent.

Acquisitions

The Supervisory Board approved the proposal to acquire Twinning Research Network Twente (TReNT), a fibre optic network provider. This acquisition, completed in January 2020, is in line with Alliander's strategy. With the acquisition of TReNT, Alliander becomes the owner of its own telecommunications infrastructure in the eastern part of the Netherlands. Alliander's policy is to own this telecom infrastructure, given its crucial importance in the safe operation of the electricity and gas grids. In a large part of the service area of network operator Liander, Alliander already owns the telecommunications infrastructure. And this will now also be the case in the eastern part of the Netherlands. With the acquisition of TReNT, Liander is less dependent on the lease of fibre optic lines from third parties in this region. Moreover, TReNT has a lot of experience in leasing 'dark fibre' (laid but unused fibre optic cable) to third parties. Alliander Telecom wants to use this 'dark fibre' knowledge in Alliander's current fibre optic network: this will save on the costs of managing the electricity and gas grids.

Internal risk management and control systems

The Supervisory Board (and the Audit Committee in particular) discussed the findings from the internal audits as well as the status of actions taken in response to findings from previous audits. The Supervisory Board monitors the progress of these actions based on the in control reports from the Internal Audit department. In addition, the report on the 2019 interim audit and the management letter from our external auditor Deloitte were discussed with the Audit Committee and the Supervisory Board in the presence of Deloitte. In their interim audit, the external auditor found Alliander's internal auditing practices to be of such quality that the auditor can largely rely on internal control measures for the most important processes of its audit of the financial statements. Deloitte found no significant deficiencies. However, Deloitte did make specific recommendations that have been, or will be, acted on by Alliander. One aspect where (further) improvement is needed is the administrative control of projects at the Aanleg business unit and authorisations in IT systems. The Supervisory Board was pleased to see that Deloitte has made greater use of data analytics this year compared to previous years, including for the part of their audit that looked at investments and surffrance tax.

Based partly on the reports of Deloitte and Internal Audit, the Supervisory Board is of the opinion that the internal risk management and

control systems operated at an adequate level. These provide reasonable assurance that the financial reporting of Alliander contains no material misstatements.

Aside from that, risk management reports were discussed, which report on the management of the main risks to which Alliander is exposed. The Supervisory Board is of the opinion that Alliander pursues a balanced risk policy and keeps the Supervisory Board adequately informed of risk-related issues. For a description of the principal risks, see the [Risks](#) chapter.

Financial reporting

The Supervisory Board discussed the 2018 annual report and the financial statements at length, including the accompanying audit report, in the presence of Deloitte. Throughout 2019, the Management Board provided the Supervisory Board with quarterly reports in which Alliander's most recent financial results were set out and compared with the 2019 budget, the most recent estimate for 2019 and the results for 2018. In addition, we discussed Alliander's 2019 half-year report, including the accompanying report by Deloitte. We furthermore discussed and approved the 2020-2024 financial plan and the operational year plan 2020. The Audit Committee of the Supervisory Board carried out intensive preparatory work on all these matters. We are of the opinion that the financial reporting is adequate and presents a realistic picture of the company's financial position and financial performance.

Long-term financing

The Supervisory Board was happy to find that the credit ratings of Standard & Poor's (AA-/A-1+ with stable outlook) and Moody's (Aa2/P-1 with stable outlook) were reaffirmed in 2019. We see that, alongside a sound financial policy, shareholders and other investors are increasingly focusing on sustainability performance. ISS-oekom, a leading sustainability ratings agency, has awarded Alliander a Prime B rating. These ratings are testimony to Alliander's strong creditworthiness. This is important as the rating influences our borrowing costs and facilitates our access to the different financial markets. The Supervisory Board realises that increasing investments on account of the energy transition and the current regulatory model will in the long term make our financeability a bottleneck. The long-term financing needs are increasing sharply, while borrowing costs are also set to rise. Without additional measures, this could lead to Alliander no longer being able to meet its standards for the financial ratios, which would jeopardise the rating. Measures are needed to create financing capacity for the required investments, while maintaining an acceptable financial position. Possible measures include cost-cutting measures, the use of hybrid financing instruments, lowering the dividend, seeking financing from current shareholders, and admitting a new type of shareholder. The possibilities in this respect will be discussed over the coming period.

Safety

Safety is a priority for Alliander, both for its own employees and the employees of the contractors working for Alliander, and we, as the Supervisory Board, emphatically endorse this. Based on the quarterly reports, we monitor accidents that lead to sickness absence and the safety culture within the company. In addition, the Management Board regularly informs us about safety issues and incidents with dangerous materials that pose a potential health hazard and about measures taken or to be taken. The network operators have in 2019, for example, started to check for asbestos in joints sealed with 'fitters' sealant', which was used well into the 1970s to seal pipe joints. This type of joint was also used in Liander's service area. All technicians have meanwhile been issued with amended work instructions to enable them to work safely.

Culture and leadership

Given the direct line to strategy realisation, the development of leadership and culture was discussed at length at the annual strategy day. Alliander is in the middle of the energy transition, meaning that it not only has an increased workload, but also faces greater challenges and uncertainty than before. Never before has the company faced such a massive challenge. To rise to this challenge, it is essential that all employees be aligned on the course we have charted together (strategy), that the organisation be efficient and effective, and that employees work as a team. To assess whether all employees are pursuing the same goal for Alliander, a strategy alignment survey was conducted across the organisation in June 2019, which ultimately led to the decision not to conduct a Great-Place-to-Work survey at the end of 2019.

Alliander is engaged in a major cost-cutting operation. We received regular progress updates on cost-cutting measures. Given the increasing level of investment in the networks, it is important to bring costs down permanently. The organisation is increasingly aware of the need for cost awareness.

Additionally, the Management Board's succession planning and direct reports were also explained, and we looked at efforts in the area of potential and talent development across Alliander.

Second green bond issue

The Supervisory Board approved a green bond issue with a total value of €300 million. Revenue from the issue of green bonds was used to refinance investments in the smart meter, and in the 'fair meter' in particular. The fair meter is the result of a joint venture of network operator Liander and several parties from across the industry, aimed at making the smart meter more sustainable. It is the second green bond that Alliander has issued; the first was issued in 2016.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of Alliander's strategy and its day-to-day operations. Alliander takes responsibility for a sustainable society, with a particular focus on the interests of the generations coming after us. The Supervisory Board has identified three primary challenges for Alliander:

- ensuring that the transition to renewable energy is realised in a controlled manner so that the energy system of the future remains affordable, reliable and accessible to everyone on equal terms;
- pursuing sustainable business practices;
- operating as a good corporate citizen.

More information on sustainability initiatives can be found in the report of the management board. We support these initiatives which, in our opinion, contribute to long-term value creation.

In 2019, Alliander once again won the Het Financieele Dagblad newspaper's Henri Sijthoff Award in the category of non-listed companies for its 2018 annual report (it also won this award in 2017). And Alliander came second in the running for the Dutch Ministry of Economic Affairs and Climate Policy's Kristal Award for the organisation with the best CSR reporting, which Alliander won in 2017. We have complimented the Management Board on this great achievement. Alliander is persistently among the frontrunners in the use of impact measurement and in how Alliander reports on its efforts in the realm of CSR. In 2019, the impact measurements were extended further. The Supervisory Board sets great store by Alliander, as a socially relevant enterprise, being transparent on how its operations impact on society. For more information on this subject, see the [Key social impacts](#) section.

Change to senior management structure and strengthening of the Management Board

The Supervisory Board has evaluated the company's senior management structure. As we see the energy transition, new technology and digitalisation accelerate and have an ever greater impact, we need to have additional focus in how we run the company. A decision was therefore made to strengthen the Management Board (made up of Chief Executive Officer [CEO] and a Chief Financial Officer [CFO]) by adding the position of Chief Transition Officer (CTO). With the addition of the CTO role, Alliander underlines the importance of developments in the area of the energy transition and digitalisation, while at the same time ensuring a more balanced division of tasks that gives the Management Board scope to step up the focus and pace in other key areas that are relevant to Alliander. The Supervisory Board has appointed Daan Schut to the Management Board as the company's CTO as of 1 April 2019. The Supervisory Board is delighted that someone from within our own ranks could be appointed to this key position. The Supervisory Board has furthermore appointed Walter Bien to the Management Board as the company's CFO as of 7 October 2019, succeeding Mark van Lieshout, who stepped down as Alliander's CFO on 1 March 2019.

Other subjects

Other subjects that received attention over the past year include:

- preparations for the Annual General Meeting of Shareholders;
- important court rulings in cases in which Alliander was involved, and new legislation and regulations that are relevant to Alliander;
- the impact of the Dutch government's Integrated Approach to Nitrogen (*Programma Aanpak Stikstof* [PAS]) and PFASs on Liander's work package;
- Alliander's external and internal communication strategy;
- developments in the area of providing network operator software to third parties;
- our operational strategy for Germany and the specifics thereof;
- the approval of the Internal Audit year plan for 2020.

Composition of the Supervisory Board

Name	Position	First appointed	Reappointment	Outgoing
Annemarie Jorritsma	chair	2016	n/a	2020 (eligible for reappointment)
Frits Eulderink (as of 26 September)	member	2019	n/a	2023 (eligible for reappointment)
Govert Hamers	member	2016	n/a	2020 (eligible for reappointment)
Thessa Menssen (as of 26 September)	member	2019	n/a	2023 (eligible for reappointment)
Coby van der Linde (until 1 July)	member	2009	2013, 2017	2021 (stepped down early on 1 July; at own initiative)
Bert Roetert	member	2015	2019	2023 (not eligible for reappointment)
Ada van der Veer	member	2009	2012, 2016	2020 (not eligible for reappointment)

The composition of the Supervisory Board changed in 2019. On 1 July 2019, Coby van der Linde stepped down from the Supervisory Board before the end of her term. She had been a member of the Supervisory Board and the Audit Committee since 2009. Supervisory Board member Ada van der Veer (who also chairs the Audit Committee) will step down after the 2020 Annual General Meeting. Given that she has reached the end of the maximum tenure of three four-year terms, she is not up for reappointment. For reasons of continuity and with a view to maintaining the desired level of financial knowledge and allowing a thorough induction period for new Audit Committee members, in the presence of the current Audit Committee chair, the Supervisory Board has opted to conduct the respective recruitment and selection procedures for both vacancies simultaneously.

At the Extraordinary General Meeting of Shareholders of 26 September 2019, Frits Eulderink, based on the Works Council's enhanced right of recommendation, and Thessa Menssen were appointed to the Supervisory Board. The Supervisory Board welcomes these two new members, who temporarily increase the number of Supervisory Board members to six. The Supervisory Board will go back to five members again after the 2020 Annual General Meeting.

Procedures and meetings

In 2019, the Supervisory Board convened ten times: eight of these were scheduled meetings and two were additional conference calls. Prior to each of the scheduled meetings, the Supervisory Board held closed consultations. Supervisory Board meetings were attended by all members of the Management Board, only on one occasion there was one Management Board member who was unable to attend. Aside from that, various members of the management team have sat in on Supervisory Board meetings. Whenever a Supervisory Board member was unable to attend a meeting, the member in question submitted his or her input beforehand. The Audit Committee met seven times in 2019, and the Selection, Appointment and Remuneration Committee held two meetings. The table below shows the Supervisory Board members' meeting attendance rates.

Name	Supervisory Board (10)	Audit Committee (7)	Selection, Appointment and Remuneration Committee (2)
Annemarie Jorritsma (chair)	80%		100%
Frits Eulderink (from 26 September)	100%	100%	
Govert Hamers	80%	57%	
Thessa Menssen (from 26 September)	100%	100%	
Coby van der Linde (until 1 July)	80%	75%	
Bert Roetert	90%		100%
Ada van der Veer	100%	100%	

In 2019, Maarten Otto and Miranda de Blik were the Supervisory Board's secretary and deputy secretary respectively. The secretary prepared the Supervisory Board meeting agendas, liaising with the chairpersons of the Management Board and the Supervisory Board.

Committees

The Audit Committee and the combined Selection, Appointment and Remuneration Committee prepare the decision-making of the Supervisory Board in the relevant fields, while also fulfilling an advisory role to the Supervisory Board. Decisions are made by the full Supervisory Board. In principle, the committees meet ahead of a scheduled Supervisory Board meeting. The committees submit a written report on their deliberations and findings to the Supervisory Board. In addition, the respective committee chairpersons provide verbal feedback at Supervisory Board meetings.

Audit Committee

In 2019, the Audit Committee was made up of Ada van der Veer (chair), Govert Hamers, Coby van der Linde (until 1 July 2019), Frits Eulderink (as of 26 September 2019) and Thessa Menssen (as of 26 September 2019). The committee had seven meetings. As standard, Audit Committee meetings are attended by the CFO, the Internal Audit manager, the Business Control member, the Corporate Control manager, and the external auditor (Deloitte). When dealing with specific subjects, the committee may invite specialists to attend part of a meeting. The Audit Committee held one meeting in private with the external auditor.

Important subjects discussed by the Audit Committee were the financial statements, the Report of the Management Board, the interim and quarterly figures, the external auditor's half-year review report, the management letter, the long-term financial plan, the operational year plan, and the risk management and internal control framework. The committee discussed the audit plans of both the external auditor and the Internal Audit department, and endorsed both for the purpose of decision-making by the Supervisory Board. Furthermore, the Audit Committee discussed the Fraud & Incidents Reports, which report on fraud, theft and embezzlement as well as on disclosures under the Whistleblower Policy and the Alliander Code of Conduct and the actions taken in response. The Audit Committee also focused on issues relating to Cross-Border Leases, the financing policy, tax planning and the status of tax returns, impairment testing, position papers, and the impact of IFRS 16 (the new financial reporting standard for leases that came into effect on 1 January 2019).

The Audit Committee issued a positive recommendation to the Supervisory Board with respect to the green bond issue of €300 million under the existing €3 billion EMTN programme. Furthermore, the Audit Committee was briefed on the rise in costs at TenneT and the impact this may have. Audit activities in Germany were also discussed. In addition, attention was devoted to IT risk management during the year. IT and digitalisation are impactful drivers of changes to the energy system, whereby effectiveness, efficiency, cybersecurity, privacy, and continuity are key focus areas. On the most important risks, significant progress has been made compared to 2018. Finally, the Supervisory Board discussed renewal of the engagement of the external auditor, which included an evaluation based on input from the Audit Committee, the Management Board, and directly involved managers and employees. The Audit Committee issued a positive recommendation to the Supervisory Board on the renewal of the audit engagement of Deloitte for the financial years of 2020 and 2021. In accordance with the Netherlands Institute of Chartered Accountants' current independence requirements, the external auditor is engaged solely to conduct audits and not to provide advisory services.

Selection, Appointment and Remuneration Committee

In 2019, the Selection, Appointment and Remuneration Committee was made up of Bert Roetert (chair) and Annemarie Jorritsma (member), and met twice. A number of these meetings were attended by the chair of the Management Board and the HRM Director.

Due to the leaving of Mark van Lieshout (CFO) and the decision to strengthen the Management Board by adding the CTO role, the composition of the Management Board was a key priority in 2019. The committee's involvement consisted mainly in engaging an external search firm, discussing the long list and narrowing it down to a short list of candidates, as well as interviewing potential (internal and external) candidates. For the CFO position, the chair of the Audit Committee was also involved in the process. The committee advised the Supervisory Board on the appointments, whereby the committee looked specifically at the required level of diversity and complementarity of the Management Board team. The decision-making on these appointments involved close consultation with the Works Council and the Committee of Shareholders, in accordance with the pertinent procedures. On 1 April 2019, Daan Schut became Alliander's CTO, while Walter Bien became the company's CFO on 7 October 2019.

Other than that, the committee also worked on the selection and nomination of two new Supervisory Board members, for which it engaged an external search firm. The committee's involvement consisted mainly in narrowing the long list down to a short list and interviewing potential candidates. The composition of the Supervisory Board, also in terms of expertise and diversity, was a key focus in these recruitment processes. In Frits Eulderink, we have found a successor to Coby van der Linde. Thessa Menssen was appointed in anticipation of Ada van der Veer's leaving.

The Committee furthermore carried out preparatory tasks for the Remuneration Report and the annual remuneration meeting between the Selection, Appointment and Remuneration Committee and the Committee of Shareholders. And the committee was informed about the outcomes of the Internal Audit department's audit of the Management Board's expense claims. Finally, the Committee devoted attention to the developments surrounding the Public and Semi-Public Sector Executives Pay (Standards) Act and conducted the annual performance appraisal interviews with the Management Board members.

Evaluation and education

Every year, the Supervisory Board evaluates the performance of the Supervisory Board as a whole, as well as that of individual Supervisory Board members and the two Supervisory Board committees: the Audit Committee and the Selection, Appointment and Remuneration Committee. While the evaluation was conducted with the help of an external consultant in 2018, the Supervisory Board conducted the evaluation itself without such assistance in 2019.

On the whole, the evaluation showed that many of the points highlighted in last year's evaluation were dealt with or fulfilled adequately. There was extra focus on succession planning and further extending the Supervisory Board's advisory role, partly by stepping up the dialogue with the Management Board on strategic developments and associated dilemmas and long-term value creation. The general picture to emerge from the evaluation is a positive one, and the Supervisory Board will continue along the course that has been adopted. The atmosphere on the Supervisory Board is open and pleasant, and there is room for debate, differences of opinion and discussion of sensitive issues. The Supervisory Board's support and contact with the Management Board and staff executives (on content,

processes, and a relational level) are experienced as pleasant. The composition of the Supervisory Board is balanced and covers sufficient different relevant perspectives.

A point of improvement to emerge from the evaluation is that adequate selection of subjects for Audit Committee meetings should be a more prominent aspect in putting together the agenda for meetings, so as to raise the efficiency of Supervisory Board meetings. The Supervisory Board furthermore highlights the importance of a continued focus on lifelong learning, including through working visits, organising a risk session, and inviting external speakers to speak on subjects that are relevant to Alliander.

The full Supervisory Board went on a working visit to the *Test Faciliteit Gas* test lab in Amsterdam, gaining insight into a wide range of tests that are conducted there, including the testing of a new type of smart gas meter, a new type of gas sensor that measures gas composition, and the transport of hydrogen through existing natural gas pipes. The Supervisory Board stresses the importance of Alliander experimenting with digitalisation and alternative energy carriers, such as renewable hydrogen and green gas, and would like to see existing natural gas infrastructure - where possible - used for such alternatives to cut social expenditure. Both newly appointed Supervisory Board members, Thessa Menssen and Frits Eulderink, completed an introduction programme, which included them speaking to various line and staff directors and getting a tour of the 150kV Kattenberg electrical substation in the North Arnhem.

Independence of the Supervisory Board

The composition of the Supervisory Board is such that the members are able to operate independently and critically vis-à-vis one another, the Management Board and any particular interests involved. This is laid down in the by-laws of the Supervisory Board. In the opinion of the Supervisory Board, the independence requirements within the meaning of best practice provisions 2.1.7, 2.1.8 and 2.1.9 of the Dutch Corporate Governance Code were complied with.

Owing to her supervisory board memberships at Wintershall Nederland B.V. and Wintershall Noordzee B.V., Ms Van der Linde is not independent as prescribed in the Dutch Electricity Act 1998 and the Dutch Gas Act. All other members of the Supervisory Board are independent within the meaning of these Acts. This means that none of them has a direct or indirect connection with an electricity or gas producer, supplier or trader.

Any positions held outside the companies must be reported to the Supervisory Board beforehand and specified in the annual report. No Supervisory Board members hold a position outside the company that is in conflict with their Supervisory Board membership at Alliander. No Supervisory Board members are members of more than five Supervisory Boards at Dutch listed companies. And no Supervisory Board member holds more than five supervisory positions 'with responsibility' as specified in the Dutch Management and Supervision Act [*Wet bestuur en toezicht*].

In 2019, there were no material transactions involving conflicting interests of Supervisory Board members.

Diversity

Board diversity makes us better attuned to society, creating a broader frame of reference within which we can better weigh up our decisions. Supervisory Board members are selected on the basis of a profile describing their required professional background, experience, skills, diversity and independence. The Supervisory Board has adopted a diversity policy for the composition of both the Management Board and the Supervisory Board, which puts the emphasis on the following:

- a balanced gender ratio on the Management Board and the Supervisory Board with a target ratio of at least 30% female and at least 30% male;
- a complementary composition in terms of experience and professional background;
- a balanced age structure.

When a Supervisory Board member steps down, a successor will be recruited based on the diversity policy. There were several changes on the Supervisory Board in 2019. Coby van der Linde stepped down and Thessa Menssen and Frits Eulderink were appointed to the Supervisory Board. Both new members have excellent qualifications. Frits Eulderink's competencies lie mainly in the field of energy, infrastructure, technology, sustainability and safety, and the environment. Thessa Menssen boasts in-depth expertise in the area of finance and experience with the nature and context of a semi-public company. The recruitment and selection process was focused specifically on these competencies, given their importance for the composition of the Supervisory Board. Aside from that, the aim was to ensure that at least one of the appointees was a woman. At the end of 2019, the gender ratio of the Management Board was 2/1, while that of the Supervisory Board was 3/3, meaning that the balanced gender ratio target has been achieved for both the Management Board and Supervisory Board.

Contact with the Works Council

The Supervisory Board has a good working relationship with the Works Council. After all, the Works Council is the representative body for the company's employees, i.e. the people with whom we ultimately have to achieve our results. Partly given the fact that Alliander qualifies as a two-tier company, the Works Council's involvement is fundamental in many areas.

After the elections for Alliander's employee participation body in late 2018, an introductory lunch was held in April 2019 for the new Works Council and the Supervisory Board. And in September, the Supervisory Board and the Works Council had their annual joint meeting, discussing matters such as the energy transition, being an employer of choice, and the corporate culture. Aside from that, the Supervisory Board liaised with the Works Council on the appointment of new Supervisory Board and Management Board members.

Contact with shareholders

Barring the General Meeting of Shareholders, the Supervisory Board has limited contact with the shareholders in its official capacity. The Management Board, however, does hold regular consultations with the major shareholders, addressing relevant (strategic) developments in areas such as legislation and regulations, Alliander's role in the energy transition, and the pursuit of our strategy. The Supervisory Board was consistently kept informed of these contacts. In 2019, consultations were held with major shareholders on five occasions.

In addition, the Selection, Appointment and Remuneration Committee consulted with the Committee of Shareholders on three occasions about the implementation of the remuneration policy of the Management Board and about the appointment of the two new Management Board members and two new Supervisory Board members. The Supervisory Board considers it important to maintain good relations with shareholders and is of the opinion that the shareholders' interests were served in a constructive and careful manner in 2019.

Recommendation on the financial statements for 2019

The Supervisory Board puts the financial statements as prepared by the Management Board to the General Meeting of Shareholders for adoption. The financial statements were audited by Deloitte Accountants B.V., which issued an unqualified opinion. The members of the Management Board and Supervisory Board signed the financial statements.

We recommend that the shareholders adopt the 2019 financial statements and the dividend proposal for the 2019 financial year at the General Meeting of Shareholders to be held on 8 April 2020. Furthermore, we propose that the General Meeting of Shareholders discharge the members of the Management Board and the Supervisory Board from responsibility for their management and supervision, respectively, in the 2019 financial year.

Word of appreciation

The Supervisory Board would like to thank the employees, management, Works Council, and the Management Board for their hard work, motivation, and professionalism, and compliment them on the results achieved in 2019. We want to thank the shareholders for their support and trust in Alliander.

Our thanks also go out to Mark van Lieshout, who stepped down from the Management Board and his position of CFO as of 1 March 2019. In his role as CFO since 2010, Mark van Lieshout has helped make Alliander become the organisation it is today. The Supervisory Board is extremely grateful to him for this. And finally, a word of thanks to Coby van der Linde, the Supervisory Board member who bowed out on 1 July 2019. We owe her a great debt of gratitude for her many years of expert work for and great commitment to Alliander.

Arnhem, the Netherlands, 14 February 2020

Supervisory Board

Annemarie Jorritsma (chair)

Frits Eulderink

Govert Hamers

Thessa Menssen

Bert Roetert

Ada van der Veer