



Invitation

116th Annual General Meeting Romande Energie Holding SA

Tuesday 29 May 2018 (3pm), Beausobre Theatre, Morges.

Dear Sir or Madam,

We are pleased to invite you to the

116th Annual General Meeting

which will take place at 3pm on Tuesday 29 May 2018 (registration until 2.45pm) at Beausobre Theatre, Avenue de Vertou 2, 1110 Morges, Switzerland.

Agenda and recommendations of the Board of Directors

1. 2017 Annual Report

1.1 Management report, financial statements of Romande Energie Holding SA and consolidated financial statements of Romande Energie Group for the 2017 financial year; Statutory Auditors' reports

Our recommendation

To approve the management report, the financial statements of Romande Energie Holding SA and the consolidated financial statements of Romande Energie Group with respect to the 2017 financial year.

1.2 Consultative vote on the remuneration system according to the Remuneration Report for the 2017 financial year

Our recommendation

To approve, by a non-binding consultative vote, the remuneration system described in the Remuneration Report.

Explanation

In compliance with established practice, the Board of Directors is submitting the remuneration system as set forth in the 2017 Remuneration Report to a separate consultative vote by shareholders, as required by the Swiss Code of Best Practice for Corporate Governance. The Remuneration Report is part of the Annual Report.

2. Discharge of liability to the Board of Directors and the Executive Board

Our recommendation

To grant discharge of liability to the Board of Directors and the Executive Board.

3. Use of retained earnings of Romande Energie Holding SA

Our recommendation

(in thousands of CHF)

At the disposal of the General Meeting

Balance from the previous year	913 249
Dividends not paid on treasury shares	3 915
Net profit for the year	<u>69 125</u>
Retained earnings	986 289
Treasury shares	<u>(94 113)</u>
	892 176

Proposed use

Dividend of CHF 36.00 per share based on 1,140,000 shares ¹	41 040
Balance to be carried forward	<u>945 249</u>
	986 289

Provided that this recommendation is approved, the gross dividend will amount to CHF 36.00 per share, i.e. a net amount of CHF 23.40 per share after payment of the Swiss federal withholding tax at a rate of 35%. The last trading day giving entitlement to the dividend will be 30 May 2018. Shares will trade ex dividend from 31 May 2018. The net dividend will be paid from 4 June 2018.

4. Authorised capital (amendment to Articles of Association)

Our recommendation

Remove Article 5 of the Articles of Association granting authorisation to increase the capital by CHF 10,125,000 This authorisation expired on 24 May 2018.

¹ Depending on the number of shares issued as on the last trading day giving entitlement to dividend (30 May 2018).

Explanation

The Board had been granted an authorisation to increase the capital, which expired on 24 May 2018. The possibility has not been used and the Board of Directors at present does not foresee any plans requiring the use of the authorised capital. It therefore does not wish to request renewed authorisation for this purpose and instead recommends that shareholders vote to remove the relevant by-law provision.

The text of the relating article will be as follows (changes shown in italics):

Article 5 Authorised capital

(removed)

5. Elections

5.1 Re-elections to the Board of Directors

Our recommendation

To re-elect as members of the Board of Directors, for a term of one year, until the end of the 2019 Annual General Meeting:

5.1.1 Anne Bobillier

5.1.2 Wolfgang Martz

5.1.3 Christian Budry

5.1.4 Bernard Grobéty

5.1.5 Jean-Jacques Miauton

Explanation

Pursuant to Articles 3 and 29 of the Swiss Federal Ordinance on Excessive Pay, the Annual General Meeting has elected the members of the Board of Directors individually every year, starting from 1 January 2014. However, according to Article 1 (2) of the Swiss Federal Ordinance on Excessive Pay, corporations governed by public law may continue to appoint representatives to the Board of Directors in accordance with the applicable provisions of the Articles of Association. Thus, pursuant to Article 762 of the Swiss Code of Obligations and Article 16 of the Articles of Association, the Vaud cantonal government has the right to appoint six members of the Board of Directors, including two representatives of Vaud shareholder municipalities. Therefore, the AGM elects or re-elects individually, for a term of one year, only those members of the Board of Directors who are not appointed by the Vaud cantonal government.

For more details on these Directors and their qualifications, please refer to their biography on the website (www.romande-energie.ch) or in the Annual Report, starting on page 22.

5.2 Re-election of the Chairman of the Board of Directors

Our recommendation

To re-elect Guy Mustaki as Chairman of the Board of Directors, for a term of one year, until the end of the 2019 Annual General Meeting.

Explanation

Pursuant to Article 4 paras. 1, 2 and 29 of the Swiss Federal Ordinance on Excessive Pay and Article 8 para. 2 (b) of the Articles of Association, the Chairman of the Board of Directors must henceforth be elected by the AGM for a term of one year.

Mr Mustaki is one of the members of the Board of Directors appointed by the Vaud cantonal government. He has been Board Chairman since 19 May 2006.

For more details on this Director and his qualifications, please refer to his biography on the website (www.romande-energie.ch) or on page 22 of the Annual Report.

5.3 Re-elections to the Appointments and Compensation Committee

Our recommendation

To re-elect as members of the Appointments and Compensation Committee, for a term of one year, until the end of the 2019 Annual General Meeting:

5.3.1 Wolfgang Martz

5.3.2 Elina Leimgruber

5.3.3 Laurent Balsiger

5.3.4 Jean-Yves Pidoux

Explanation

Pursuant to Articles 7 and 29 of the Swiss Federal Ordinance on Excessive Pay and Article 8 para. 2 (b) of the Articles of Association, the General Meeting elects individually every year, starting from 1 January 2014, the members of the Remuneration Committee of the Board of Directors. In the Company, remuneration committee duties within the meaning of the Swiss Federal Ordinance on Excessive Pay are entrusted to the Appointments and Compensation Committee.

For more details on these Directors and their qualifications, please refer to their biography on the website (www.romande-energie.ch) or in the Annual Report, starting on page 22.

5.4 Re-election of the Statutory Auditors

(parent company financial statements of Romande Energie Holding SA and consolidated financial statements of Romande Energie Group)

Our recommendation

To re-elect Deloitte SA, Geneva, as Statutory Auditors for the 2018 financial year.

5.5 Re-election of the Independent Representative

Our recommendation

To re-elect Gabriel Cottier, civil-law notary in Lausanne, as the Independent Representative for a term of one year, until the end of the 2019 Annual General Meeting.

Explanation

Pursuant to Articles 8 and 30 of the Swiss Federal Ordinance on Excessive Pay and Article 8 para. 2 (b) of the Articles of Association, the Annual General Meeting elects the independent representative for a term of one year concluding at the end of the next AGM.

6. Remuneration of the Board of Directors and the Executive Board

6.1 Remuneration of members of the Board of Directors

Our recommendation

To approve the maximum aggregate remuneration payable to the 11 members of the Board of Directors, amounting to CHF 930,000 (CHF 820,000 in pay, a lump-sum allocation of CHF 60,000 to cover sundry costs and CHF 51,000 in social insurance costs), for the period from 1 January 2019 to 31 December 2019.

Explanation

Pursuant to Article 15 (1) point 1 of the Articles of Association, the Annual General Meeting must annually approve the amount that the Board of Directors has set for its maximum aggregate remuneration payable in the coming financial year. Under Article 22c (1) of the Articles of Association, members of the Board of Directors receive a fixed annual allowance not determined by the Company's financial results as well as fees for attending meetings of the Board of Directors and its subcommittees, outside sessions and special preparatory meetings. Moreover, pursuant to Article 22c (2) of the Articles of Association, the same principles apply to any activities in favour of companies controlled either directly or indirectly by the Company. Individual allowances and attendance fees, along with the actual amounts paid in 2017, are shown in the Remuneration Report, which is part of the Annual Report.

In determining the maximum aggregate remuneration payable for the 2019 financial year, for which approval is required from the Annual General Meeting, the Board of Directors has used the following assumptions:

- A constant number of directors
- Unchanged unit amounts concerning individual allowances and attendance fees
- As a precautionary measure, 12 board meetings and 12 meetings of its subcommittees, six special meetings per member and six meetings by boards of directors of subsidiary companies.

By comparison, in 2017 the Board of Directors met eight times, its subcommittees between six and ten times and the boards of directors of subsidiary companies either four or five times.

6.2 Remuneration of the Executive Board

Our recommendation

To approve the maximum remuneration payable to the seven members of the Executive Board, amounting to CHF 3,880,000 (CHF 3,090,000 in pay, CHF 660,000 in social insurance costs and CHF 130,000 in allowances), for the period from 1 January 2019 to 31 December 2019.

Explanation

Under Article 15 (1) point 2 of the Articles of Association, the Annual General Meeting must annually approve the amount that the Board of Directors has set for the maximum aggregate remuneration payable to the Executive Board in the coming financial year. Under Article 22d of the Articles of Association, members of the Executive Board receive remuneration (including any benefits in kind) which consists of a fixed and a variable component linked to the achievement of personal objectives, profit-sharing in regard to the financial results of Romande Energie Group as well as lump-sum compensation to cover entertainment expenses (para. 1). The variable portion of remuneration and profit-sharing in regard to the financial results of Romande Energie Group may not exceed 100% of all fixed remuneration for the CEO or 70% for the other members of the Executive Board (para. 2). The variable portion of remuneration is determined by job competency and the degree of achievement in regard to individual objectives, which are appraised at year-end by the committee overseeing compensation (para. 3). Two-thirds of the profit-sharing in regard to the financial results of the Group in the reference year is determined by the net profit of the reference year. The remaining third is determined by the average net profit for the reference year and the previous two financial years (para. 4). Aggregate remuneration paid in 2017 is shown on page 42 of the Remuneration Report, which is part of the 2017 Annual Report.

In determining the maximum aggregate remuneration payable for the 2019 financial year, for which approval is required from the Annual General Meeting, the Board of Directors has taken into consideration the following factors:

- Seven full-time equivalent members
- the increased in fixed remuneration decided upon in 2018

and used the following assumptions:

- An increase in fixed remuneration of no more than 1% in 2019
- The variable portion of remuneration and profit-sharing in regard to the financial results of Romande Energie Group not exceeding 100% of all fixed remuneration for the CEO or 70% for the other members of the Executive Board

General information

Authorisation to participate/admission cards

Only shareholders with voting rights whose names are entered in the share register by 5pm on 17 May 2018 may exercise their right to vote.

Entry in the share register does not affect the tradability of the shares in question before, during or after the Annual General Meeting.

A personal invitation will be sent to shareholders from 1 May 2018, together with a reply slip for requesting an admission card to the Annual General Meeting. The reply slip should be sent by return mail to Computershare Suisse SA, Romande Energie Holding SA, PO Box, CH-4601 Olten. Admission cards will be sent to shareholders from 14 May 2018. Shareholders may also order their admission cards through the Sherpany web service for investors (www.sherpany.com). However, to do this, they must hold a Sherpany account, which can be opened using the procedure described below under "Representation/Proxy".

Representation/Proxy

Shareholders who are unable to attend the Annual General Meeting in person may be represented by another shareholder or a third party authorised by the shareholder concerned. They may also be represented by Gabriel Cottier, civil law notary, Place Benjamin-Constant 2, PO Box 7140, 1002 Lausanne, who will act as the Independent Representative within the meaning of Article 689c of the Swiss Code of Obligations.

The attached reply slip may be used to grant a proxy as well as to give voting instructions to the Independent Representative.

Shareholders may also send voting instructions to the Independent Representative electronically. To do so, they should follow the "Instructions for opening a Sherpany account" and return the attached "Sherpany account opening form" to the share register of Romande Energie (Computershare Suisse SA, Romande Energie Holding SA, PO Box, CH-4601 Olten, Tel. +41 62 205 77 06, e-mail: ferdinando.paone@computershare.ch). Shareholders who already have a Sherpany account can send their voting instructions after adding Romande Energie Holding SA to their personal list on the account.

Annual Report

The Annual Report, containing the Remuneration Report, the financial statements and the consolidated financial statements as well as the Statutory Auditors' reports, has been available to shareholders since 16 April 2018 on the website (www.romande-energie.ch) or from the registered office of Romande Energie Holding SA, Rue de Lausanne 53, CH-1110 Morges.

Refreshments

At the end of the Annual General Meeting, all participants are cordially invited to take refreshments, to be served in the Beausobre Theatre foyer, Morges.

Transport

We recommend the use of public transport or carpooling (www.e-covoiturage.ch).

Morges, 27 April 2018

Romande Energie Holding SA
On behalf of the Board of Directors

Guy Mustaki, Chairman
Daniel Hammer, Corporate Secretary

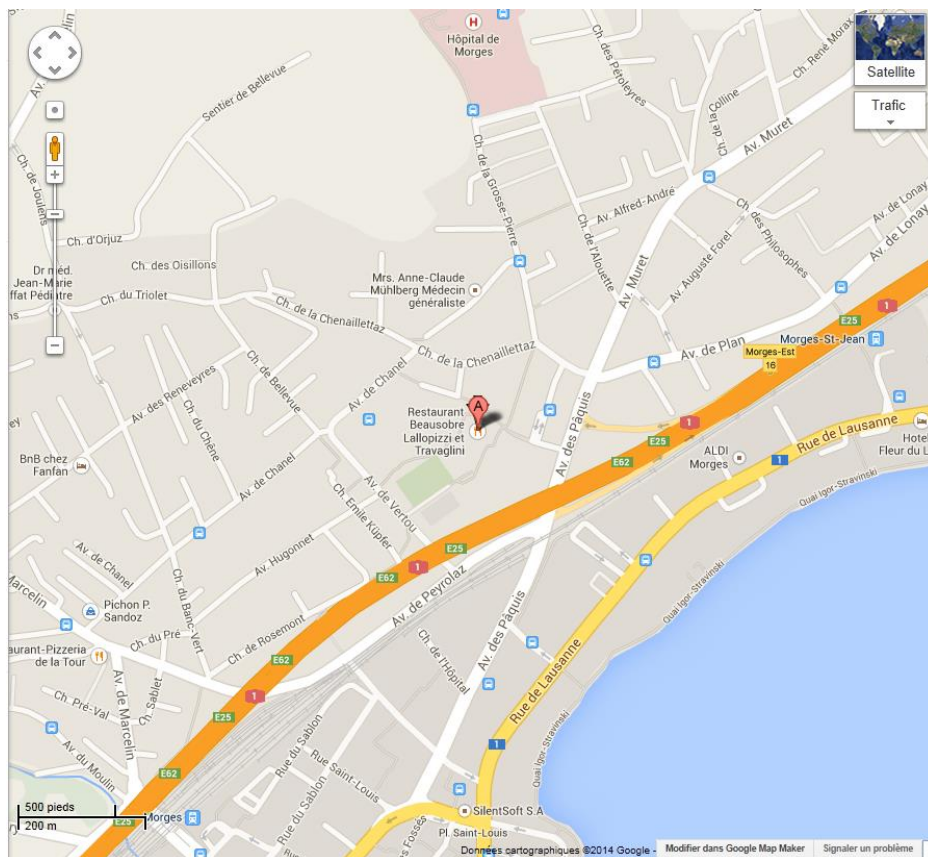
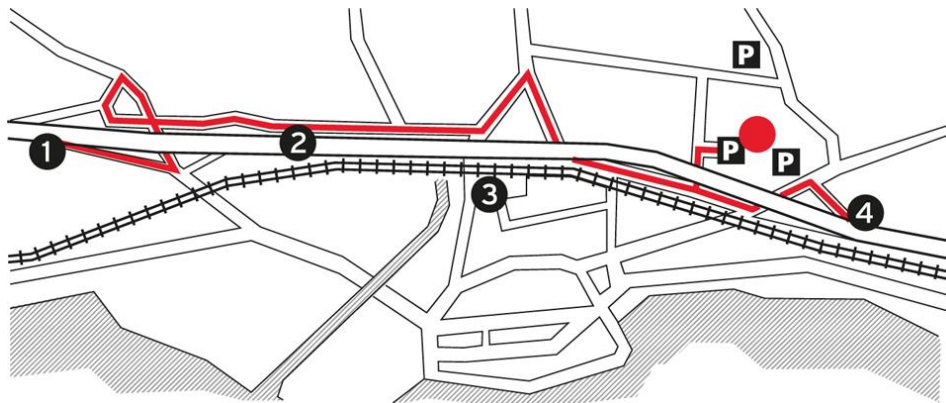
Map of Morges

● Théâtre de Beausobre, av. de Vertou 2, 1110 Morges

1. From Geneva: take the Morges-Ouest exit
2. Motorway
3. Train station
4. From Lausanne: take the Morges-Est exit

Morges-area public transport – (Bus stop: Beausobre)

Bus lines 701 and 702 run a twice-an-hour service between the theatre and Morges town centre. Schedules are available by visiting www.mbc.ch



Lausanne station – Morges station

Leaving: 1.51pm Platform 9 – Arriving: 2.03pm (RE 3218)
Leaving: 1.58pm Platform 5 – Arriving: 2.10pm (S 4 12448)
Leaving: 2.18pm Platform 5 – Arriving: 2.28pm (IR 15 2520)

Genève Cornavin – Morges station

Leaving: 1.30pm Platform 4 – Arriving: 2pm (IR 90 1723)
Leaving: 1.49pm Platform 2 – Arriving: 2.25pm (RE 3123)
Leaving: 2pm Platform 6 – Arriving: 2.30pm (IR 15 2525)

Yverdon station – Morges station

Leaving: 1.28pm Platform 2 – Arriving in Renens: 1.56pm (S1 12147)
Leaving Renens: 2.05pm Platform 2 – Arriving in Morges: 2.10pm (S4 12448)
Leaving: 1.53pm Platform 2 – Arriving: 2.16pm (IC 5 520)

Vevey station – Morges station

Leaving: 1.28pm Platform 1 – Arriving: 1.58pm (IR 90 1718)
Leaving: 1.34pm Platform 4 – Arriving: 2.03pm (RE 3218)

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