



# National Grid plc Board Governance

March 2026

nationalgrid

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# MATTERS RESERVED FOR THE BOARD

APPROVED MARCH 2026.

## Introduction

The board of directors (the “Board”) of National Grid plc (the “Company”) is ultimately responsible for the strategy, management, performance and long-term success of the Company and its subsidiaries (the “Group”). Day to day management of the business is delegated to the Chief Executive, however the following matters are reserved for decision by the Board.

## **1. Strategy, Management and Finance**

- 1.1 Approval of significant changes to the Group’s management and control/corporate structure
- 1.2 Approval of National Grid’s finance policy, in particular with regard to tax strategy and off-balance sheet financing
- 1.3 Approval of any material change in National Grid’s accounting policies or practices
- 1.4 Decision to appoint, reappoint or remove auditors, following recommendations from the Audit and Risk Committee
- 1.5 Setting and monitoring the Group’s strategic risk appetite
- 1.6 Approval of and monitoring of the Group’s principal risks
- 1.7 Approval of the Group’s viability statement and associated assessment period
- 1.8 Approval and review of the business strategy and long-term strategic objectives of National Grid in light of the agreed principal risks and risk appetite
- 1.9 Approval of the five year Group strategic plan and annual budget
- 1.10 Any material extension of the Group’s activities into new business or geographic areas
- 1.11 Any decision to cease to operate all or any material part of the Group’s business
- 1.12 Making or responding to any take over bid subject to the City Code on Takeovers and Mergers
- 1.13 Authorising changes affecting the capital structure of National Grid or its status as a plc or listed company
- 1.14 Approval of major capital projects guarantees and indemnities
- 1.15 Approval of major regulatory matters
- 1.16 Approval of appointment of corporate brokers

## **2 Director and Employee Issues**

- 2.1 Changes to the structure, size and composition of the Board and Board Committees
- 2.2 Adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills, experience and knowledge within the Company and on the Board
- 2.3 Division of responsibilities of the Company Chair, Senior Independent Director, Committee Chairs, the Chief Executive and other Executive Directors, which should be clearly established, set out in writing and agreed by the Board
- 2.4 Appointment, re-appointment or removal of Directors and the Group Company Secretary
- 2.5 Determination of the independence of Non-executive Directors following recommendations from the Nomination Committee
- 2.6 Determination of the framework or broad policy for the remuneration of the Company Chair, Chief Executive, Executive Directors, Group Company Secretary and direct reports to the Chief Executive (following recommendation from the People & Remuneration Committee)
- 2.7 Material changes to rules, funding and management arrangements for the pension schemes and post-retirement healthcare plans (on recommendation of the Executive Committee)

- 2.8 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval upon the recommendation of the remuneration committee
- 2.9 Maintain and oversee mechanisms for considering the balance of interests between shareholders, colleagues and other stakeholders, including customers, suppliers, the community, regulators and Government
- 2.10 Determination of the other significant demands on directors' time prior to, and during, their appointment

### **3 Corporate Governance**

- 3.1 Responsibility for the overall leadership of National Grid and setting the Company's values and standards
- 3.2 Establishing committees of the Board, their terms of reference and approving any material changes thereto
- 3.3 Undertaking a formal and rigorous annual review of its own performance and that of its Committees and individual Directors (in conjunction with the People & Governance Committee)
- 3.4 Ensuring maintenance of a sound system of internal control and risk management arrangements throughout National Grid and conducting an annual review of the effectiveness of these arrangements
- 3.5 Approval of significant new National Grid Policies, Public Position Statements, Procedures and Codes, and major revisions as necessary
- 3.6 Authorising conflicts of interest where permitted by the Company's Articles of Association
- 3.7 Consideration of material allegations or litigation affecting National Grid

### **4 Financial Reporting and Stakeholders**

- 4.1 Approval of full and half-year results announcements and other financial updates to stock exchanges on which National Grid's shares are listed
- 4.2 Approval of the National Grid Annual Report and Accounts and Annual Report on Form 20-F
- 4.3 Approval of the dividend policy and approval and declaration of the interim dividend and recommendation of the final dividend and any scrip dividend alternative
- 4.4 Calling any general meeting of National Grid's shareholders and approval of the Resolutions and documentation sent to shareholders
- 4.5 Ensuring satisfactory dialogue with the Company's key stakeholders to keep in touch with stakeholder opinions, issues and concerns
- 4.6 Authorising the allotment of National Grid shares including under a scrip dividend (through delegations where appropriate) and any purchase of National Grid's own shares (buyback)
- 4.7 Approval of any prospectus, listing particulars or other document requiring to be approved by or filed with a stock exchange on which National Grid shares are listed (other than routine announcements or filings and debt listing particulars)

### **5 Other**

- 5.1 Any other matters of strategic, financial, operational or reputational importance likely to have significant impact on National Grid
- 5.2 This schedule of Matters Reserved for the Board
- 5.3 Approval, on its recommendation, of any item which falls outside the authority delegated to the Executive Committee or any of the Board Committees

# TERMS OF REFERENCE OF THE AUDIT & RISK COMMITTEE

APPROVED NOVEMBER 2025.

Reference to the “Company” shall mean National Grid plc.  
Reference to the “Committee” shall mean the Audit & Risk Committee.  
Reference to the “Committee Chair” shall mean the chair of the Committee.  
Reference to the “Board” shall mean the Board of Directors of the Company.  
Reference to the “Group” shall mean the Company and its subsidiaries.  
Reference to the “Secretary” shall mean the secretary of the Committee.

## Purpose

- 1.1 The Committee assists the Board in discharging its responsibilities around ensuring the integrity of the Company’s financial reporting, assessment of the effectiveness of the Company’s risk management and internal control, framework and oversight of internal and external audit processes. The Committee is also responsible for monitoring the financial risks of the Group in the context of treasury, tax, pensions, insurance and commodities.

## 2 Membership

- 2.1 The Committee Chair and Committee members shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Committee Chair.
- 2.2 The Committee shall comprise at least three members, all of whom shall be independent Non-executive Directors and shall meet the independence requirements of the US Securities and Exchange Commission Rule 10A-3 under the Securities Exchange Act of 1934. The Chair of the Board shall not be a member of the Committee.
- 2.3 At least one member must have recent and relevant financial experience; competence in accounting and/or audit and be considered a financial expert as defined by the US Securities and Exchange Commission (SEC). The Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 2.4 Committee members have the right to attend Committee meetings. Other Non-executive Directors are also allowed to attend if they wish. Other individuals such as the Chief Executive, Chief Financial Officer, Lead External Audit Partner, Chief Legal Officer, Group Head of Internal Audit, Group Financial Controller, Chief Risk Officer, and Group Treasurer and Director of Pensions, Tax and Insurance, may be invited by the Committee to attend all or part of any meeting of the Committee as and when appropriate.
- 2.5 In the absence of the Committee Chair and/or any appointed deputy the remaining members present shall elect one of themselves to chair the meeting (who would qualify under these Terms of Reference to be appointed to that position by the Board).

## 3 Secretary

- 3.1 The Group Company Secretary or their nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

## **4 Quorum and voting**

- 4.1 The quorum necessary for the transaction of business shall be two, including at least one member who the Board believes has recent and relevant financial experience.
- 4.2 If any conflicts of interest exist with a member of the Committee on any issue, then such member of the Committee shall not participate or vote on the issue that gives rise to such conflict of interest.

## **5 Meetings**

- 5.1 The Committee shall meet at least four times a year.

## **6 Notice of Meetings**

- 6.1 Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair, any of its members or the external or corporate auditors if they consider it necessary.
- 6.2 Unless otherwise agreed, the Secretary or their nominee shall circulate notice of each meeting including an agenda of items to be discussed. Any supporting papers shall be circulated or made available electronically to each member of the Committee, members of the Board and any other person required to attend as appropriate, in advance.

## **7 Minutes of Meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 Draft minutes shall be circulated to the Committee Chair for review prior to circulation to all Committee members.

## **8 Shareholder Engagement**

- 8.1 The Committee Chair shall attend the Annual General Meeting to answer shareholder questions on the Committee's activities. In addition, they should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility, including the scope of the external audit, where appropriate.

## **9 Duties**

The Committee should on behalf of the Board carry out the duties below for the Group, making recommendations to the Boards, Audit & Risk Committees or Finance Committees of subsidiary companies as appropriate:

### **9.1 Internal Control, Risk Management Systems and Compliance**

The Committee shall:

- 9.1.1 Review and monitor the Group's risk management and internal control frameworks and systems (covering all material controls, including financial, operational, reporting and compliance controls) and at least annually carry out a review of its effectiveness, adequacy and maintenance and report its recommendations to the Board.
- 9.1.2 Where requested by the Board, review the approach to the identification of emerging and principal risks (including those which may threaten the Group's business model, future

performance, solvency or liquidity and reputation) and the management and mitigation of those risks.

- 9.1.3 Where requested by the Board, provide advice on how, taking into account the Group's financial position and principal risks, the Group's prospects have been assessed, over what period and why the period is regarded as appropriate. The Committee will also advise on whether there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over that period, drawing attention to any qualifications or assumptions as necessary.
- 9.1.4 Review and approve the statements to be included in the Annual Report concerning internal controls and risk management (including the declaration of effectiveness of material controls).
- 9.1.5 Review and advise the Board on any disclosures with respect to deficiencies in the effectiveness of internal controls or any fraud.
- 9.1.6 Review and advise the Board on the Group's risk profile, and assess the effectiveness of the risk management framework in line with the Board's risk appetite.
- 9.1.7 Review the viability assessment and risk stress testing, and the associated disclosures in the Annual Report and Accounts and any similar statement pursuant to applicable listing rules, legislation and best practice, for recommendation to the Board.
- 9.1.8 Receive regular reports on risk management and compliance matters.
- 9.1.9 Assist the Board in overseeing compliance with financial, risk, audit, legal, and regulatory requirements in the UK and US in line with its responsibilities.
- 9.1.10 Monitor the financial risk of the Group in the context of treasury, tax, pension, insurance and commodities.
- 9.1.11 Monitor the risk appetite of the Group in relation to the financial risks arising from the areas within its scope having due regard to the overall risk appetite set by the Board.
- 9.1.12 Review and approve the strategy of the Group in relation to the financial risks arising from the areas within its scope, considering the instruments and tools that are available.
- 9.1.13 Set policy in relation to the areas within its scope and delegate appropriate authority to Executive management to execute the strategy within the approved policies.
- 9.1.14 Monitor the execution of the strategy, adherence to policy and the risk position.
- 9.1.15 Advise the Board on the financial risks of proposed strategic transactions (including purchases and disposals) as appropriate, ensuring that a due diligence appraisal of each proposition is undertaken.
- 9.1.16 Consider matters of business conduct and receive reports relating to the Company's Code of Ethics.
- 9.1.17 Consider the procedures currently in place for the prevention and detection of bribery or fraud. Details of any material non-compliance and any cases of bribery or fraud in the relevant period will be advised, with any significant issues being brought to the Committee's attention as soon as practicable. The Committee shall advise the Board on the adequacy of these procedures and any recommendations for improvements.

## 9.2 Internal Audit

9.2.1 The Committee, or the Committee Chair acting on behalf of the Committee, shall approve the appointment of the Group Head of Internal Audit. The Group Head of Internal Audit shall not be removed without the approval of the Committee and shall be accountable to the Committee.

9.2.2 The Committee Chair shall work with the Chief Financial Officer to provide input into the annual performance assessment, objective setting process and remuneration for the Group Head of Internal Audit.

9.2.3 The Committee shall:

- (i) consider and approve the Internal Audit Charter to ensure its independence and effectiveness and its appropriateness to the current needs of the Company in accordance with relevant professional standards;
- (ii) monitor and evaluate the performance and effectiveness of Internal Audit, including obtaining an independent, external quality assurance review at appropriate intervals, and at least every three years;
- (iii) review, assess and approve the Group's annual Internal Audit Plan. Review the management of agreed corporate audit matters to ensure they are appropriate in the overall context of the Group's risk management system;
- (iii) review corporate auditor reports dealing with key control issues, the effectiveness of the Company's risk management processes, any significant control findings and management's responsiveness to such matters; and
- (iv) meet with the Group Head of Internal Audit at least once each year without management present. The Group Head of Internal Audit should have access to the Chair of the Board, the Committee Chair and to the other members of the Committee.

## 9.3 External Audit

9.3.1 The Committee shall consider and make recommendations to the Board on matters to be put to shareholders, in relation to the appointment, reappointment, oversight and removal of the Company's external auditor. If an external auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required.

9.3.1 The Committee shall:

- (i) consider and follow, where appropriate, the standards and responsibilities set out in the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard.
- (ii) keep under review the relationship with the external auditor including (but not limited to) the approval of the remuneration of the external auditor, the proportion of fees for non-audit services in relation to the overall fee income;
- (iii) approve the terms of engagement;
- (iv) review and monitor the independence and objectivity of the external auditor, taking into account the relationship with the external auditor, and satisfy itself that there are no relationships between the external auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- (v) undertake, and report to the Board on, an annual assessment of the qualifications, expertise and resources of the external auditor; the effectiveness and adequacy of the audit process (including a report from the external auditor on their own internal quality procedures and transparency reports); review the Financial Reporting Council's annual report (if any) on, and discuss the findings with, the external auditor;
- (vi) ensure appropriate interaction with the activities of the Internal Audit function;

- (vii) discuss with the external auditor such issues as compliance with accounting standards and any proposals which the external auditor has made in relation to the Company's Internal Audit function;
- (viii) evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee;
- (ix) review the external audit plan and ensure that it is consistent with the scope of the audit engagement;
- (x) meet with the external auditor at least once each year without management present;
- (xi) review the findings of the audit with the external auditor including, but not limited to, discussing any major issues and management's response to such issues; accounting and audit judgments; and levels of errors identified;
- (xii) conduct the tender process for the audit contract, which shall be put out to tender at least once every ten years, or sooner if required;
- (xiii) review any representation letters requested by the external auditor before they are signed by management; and
- (xiv) set a policy in relation to the provision of non-audit services, taking into account relevant UK and US regulations, rules and ethical guidelines, ensuring that the provision of such services does not impair the external auditor's independence or objectivity and report to the Board on this policy and any improvement or action required. The policy shall include consideration of whether the external audit firm is the most suitable supplier of the non-audit service.

#### **9.4 Financial Statements**

The Committee shall:

- 9.4.1 monitor the integrity of the Company's financial statements including in any results announcements, Annual Report and Accounts and any other formal documents or formal announcements relating to its financial performance.
- 9.4.2 review significant financial reporting issues and judgements (including any material uncertainties) which those statements contain.
- 9.4.3 review and challenge where necessary the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made.

#### **9.5 Treasury, Tax, Pensions, Insurance and Commodities**

The Committee shall receive updates on matters related to treasury, tax, insurance, pensions and commodities as necessary. In particular, the Committee shall consider and recommend the Tax Strategy to the Board for approval annually in advance of its publication.

#### **9.6 Reporting Responsibilities**

- 9.6.1 The Committee Chair shall report to the Board after each meeting on the nature and content of its discussions, recommendations and actions to be taken.
- 9.6.2 The Committee shall:
  - (i) make appropriate recommendations to the Board in order that a report to shareholders on internal controls and such other matters can be included in the Annual Report and Accounts and where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

- (ii) review results announcements and make recommendations to the Board prior to release, or as appropriate, on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the external auditor.
- (iii) review the Annual Report and Accounts and any other report filed with the SEC, or other competent authorities, containing financial statements and make recommendations to the Board with respect to the disclosures contained therein.
- (iv) report to shareholders on its activities, including such matters as may be required by law, regulation and best practice, including the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard in the Company's Annual Report and Accounts.
- (v) review the responsible business review disclosures and associated assurance procedures and in conjunction with the Responsible Business Committee, recommend to the Board the approval of the responsible business review.
- (vi) recommend to the Board whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy and whether it informs the Board's statement in the Annual Report and Accounts on these matters.
- (vii) report to the Board on how it has discharged its responsibilities, as set out in these terms of reference including matters considered relating to significant issues in relation to the financial statements, the assessment of the going concern and viability statement, the effectiveness of the external audit process, and any other issues on which the Board has requested the Committee's opinion.
- (viii) hold a joint meeting with the Responsible Business Committee to discuss the approach to, and reporting on, environmental and sustainability matters.

## **9.7 Complaints and Whistleblowing Procedures**

- 9.7.1 Ensure that appropriate procedures are established, and evaluate the effectiveness of such procedures, for the receipt, retention, and treatment of complaints received by the Company.
- 9.7.2 Establish procedures to ensure that submissions from the Company's whistleblowing policy be treated confidentially and anonymously and significant matters are reported to the Committee. The Committee shall ensure that these arrangements allow proportionate, independent and timely investigation of such matters.
- 9.7.3 The Committee Chair will be informed on a timely basis of significant matters relating to risk, compliance, ethics, controls or financial reporting.

## **10 Authority**

- 10.1 Subject to any restrictions imposed by law, the Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties and all employees are directed to cooperate with any requirements made by the Committee.
- 10.2 The Committee shall have the right to publish in the Annual Report and Accounts details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.
- 10.3 The Committee is authorised to:

10.3.1 request the attendance of any employee at a meeting of the Committee and/or seek any information it requires from any employee of the Group in order to perform its duties;

10.3.2 access sufficient resources and independent legal, accounting or other professional advice as is reasonable, at the Company's expense, on any matter if it believes it is necessary to do so in order to carry out its duties, including access to the Group Company Secretary and Company Secretariat for advice, as required.

## **11 Other Matters**

11.1 The Committee shall:

- (i) work and liaise as necessary with other Board Committees, ensuring the interaction between the Committees and the Board is reviewed regularly. The Committee Chair shall interface with the Audit Committees of Group subsidiary operating companies as appropriate.
- (ii) oversee any investigation of activities which are within its terms of reference and be responsible for resolving any disputes that may arise between the external auditor, the Internal Audit team and the Company.
- (iii) ensure that a periodic evaluation of the Committee's own performance is carried out as well as a review of its terms of reference.
- (iv) receive reports from the Disclosure Committee in relation to any matters arising in connection with the preparation of the Disclosure Statements and the Committee's evaluation of the effectiveness of the Company's Disclosure Controls, including reports filed with the SEC and other regulatory authorities.
- (v) receive reports, as and when appropriate, from the business on significant areas of concern in relation to any external reporting obligations.

**11.2** Members shall be provided with an induction and ongoing training as appropriate.

**11.3** The Board should review the Committee's effectiveness annually.

# TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

APPROVED NOVEMBER 2025.

Reference to the “Company” shall mean National Grid plc.

Reference to the “Committee” shall mean the Nomination Committee.

Reference to the “Board” shall mean the Board of Directors of the Company.

Reference to the “Group” shall mean the Company and its subsidiaries.

## 11 Purpose

- 11.1 The Committee considers and makes recommendations to the Board in respect of appointments to the Board and ensures that effective plans are maintained to result in a diverse pipeline of succession to the Board.
- 11.2 The Committee assists the Board in discharging its responsibilities around year-end Director matters, including appointments and disclosures.

## 12 Membership

- 12.1 The Committee shall be appointed by the Board and made up of all independent Non-executive Directors.
- 12.2 The Board shall appoint the Chair of the Committee who shall be the Chair of the Board. For matters relating to succession to the Chair of the Board, including appointment, the Committee will be chaired by the Senior Independent Director. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present shall elect another member to chair the meeting.
- 12.3 Additional attendees including the Chief People Officer, Chief Executive and external advisors may attend meetings of the Committee, as and when considered appropriate by the Committee.

## 13 Secretary

- 13.1 The Group Company Secretary or their nominee shall act as the Secretary of the Committee.

## 1 4 Quorum and voting

- 14.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent Non-executive Directors.
- 14.2 If any conflicts of interest exist with a particular member of the Committee on any particular issue then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest.

## 15 Meetings

15.1 The Committee shall meet at least once a year and otherwise as required.

## **16 Notice of Meetings**

16.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee or any of its members.

16.2 Unless otherwise agreed, the Secretary or their nominee shall circulate the notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed. Any supporting papers shall be circulated or made available electronically to each member of the Committee, and any other person required to attend as appropriate.

## **17 Minutes of Meetings**

17.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

17.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

## **18 Shareholder Engagement**

18.1 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

18.2 The Chair of the Committee will seek engagement with shareholders on significant matters related to this Committee's areas of responsibility, where necessary.

## **19 Duties**

### **19.1 Board Composition**

19.1.1 Review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.

### **19.2 Board Appointments**

The Committee shall make recommendations to the Board relating to:

19.2.1 The membership of the Board and other committees of the Board as appropriate;

19.2.2 The re-appointment of any Non-executive Director at the conclusion of their specified term of office, and concerning the re-election by shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code or under the 'retirement by rotation' provisions in the Company's Articles of Association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, diversity, personal and cognitive attributes, independence, experience and knowledge required, and the need for progressive refreshing of the Board;

19.2.3 any matters relating to the continuation in office as a director of any Director at any time;

19.2.4 the appointment of any Director, including the Chair; and

19.2.5 the Audit, Risk & Finance Committee having at least one member with recent and relevant financial experience and that the Audit, Risk & Finance Committee as a whole has competence relevant to the sector in which the Company operates, having regard to relevant legal and best practice requirements.

### **19.3 Nominations and Succession Planning**

In identifying suitable candidates the Committee shall:

- 19.3.1 Be responsible for identifying and nominating for the approval of the Board, candidates to serve as Non-executive Director and Executive Directors.
- 19.3.2 establish the criteria (description of role and capabilities required) for any new position in the light of an evaluation of the balance of skills, knowledge, experience and diversity on the Board;
- 19.3.3 consider candidates from a wide range of backgrounds;
- 19.3.4 consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the board, including gender and thinking styles and educational and professional backgrounds, ensuring the appointees have enough time available to devote to that position;
- 19.3.5 be responsible for ensuring that on appointment to the Board, Non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings; and

### **20 Performance Reviews and Governance**

- 20.1.1 Review and monitor the Board's corporate governance framework and monitor the Board's compliance with corporate governance standards and practices while ensuring that it remains appropriate to the size, complexity and strategy of the Company. Recommend to the Board any revisions deemed necessary, taking into account any significant developments in the law and practice of corporate governance;
- 20.1.2 Review on a regular basis, but no less than annually, its own performance, constitution and terms of reference to ensure it is operating effectively (the Board should also review the Committee's effectiveness annually); consider candidates from a wide range of backgrounds;
- 20.1.3 Review the directors' conflicts of interest policy and recommend any changes the Committee deems appropriate for approval of the Board;
- 20.1.4 Review the time required from the Non-executive Directors annually and assess whether they are spending enough time to fulfil their duties, together with the proposed schedule of other significant commitments of the Chair of the Board;
- 20.1.5 Be responsible for determining the principles of which outside directorships may be accepted by Executive Directors.

### **20.2 Reporting**

- 20.2.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 20.2.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 20.2.3 The Committee shall provide a report on the work of the Nomination Committee in discharging its duties and responsibilities during the year for inclusion in the Company's Annual Report and Accounts in line with the UK Corporate Governance Code.

## **21 Committee's Interface with Other Committees**

The Committee shall interface with:

- 21.1.1 The People & Remuneration Committee with respect to the pay and conditions upon appointment of Directors recruited on the recommendation of the Committee.

## **22 Authority**

- 22.1 Subject to any restrictions imposed by law, the Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties. All employees are directed to cooperate with any request made by the Committee and be present at a meeting of the Committee as and when required.
- 22.2 The Committee shall not be entitled to sub-delegate all or any of the powers and authority delegated to it.

## **23 Resources and training**

- 23.1 Members of the Committee shall have access to sufficient resources, including access to the Group Company Secretary and Company Secretariat, as required.
- 23.2 The Committee is also authorised to obtain, at the Company's expense and in liaison with the Group Company Secretary and/or the Chief People Officer as appropriate, outside legal or other professional resources and advice including recruitment consultants on any matters with its terms of reference.
- 23.3 Members of the Committee shall be provided with training as appropriate both in the form of an induction programme for new members and on an ongoing basis for all members.

# TERMS OF REFERENCE OF THE PEOPLE & REMUNERATION COMMITTEE

APPROVED NOVEMBER 2025.

Reference to the “Company” shall mean National Grid plc.

Reference to the “Committee” shall mean the People & Remuneration Committee.

Reference to the “Board” shall mean the Board of Directors of the Company.

Reference to the “Group” shall mean the Company and its subsidiaries.

## 1. Purpose

- 1.1 The Committee determines the remuneration for the Chair, Executive Directors and Group Executive Committee and oversees the remuneration practices and policies for the wider workforce.
- 1.2 The Committee provides oversight of the Group’s talent and succession pipeline and framework, as well as the Group’s Diversity, Equity and Inclusion and culture framework.
- 1.3 The Committee has responsibility for monitoring the tolerance of the Group Principal Risk related to people, capability, and capacity.

## Membership

- 1.4 The Committee shall comprise at least three members, who shall be independent Non-executive Directors. The Chair of the Board may serve on the Committee as an additional member if they are considered independent on appointment as Chair but shall not be the Chair of the Committee.
- 1.5 The Committee Chair and Committee members shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chair of the Committee.
- 1.6 Committee members have the right to attend Committee meetings. Other Non-executive Directors are also allowed to attend if they wish. Other individuals such as the Chief Executive, Chief People Officer, Group Head of Reward, Group Financial Controller and external advisers may be invited to attend by the Committee as and when appropriate.
- 1.7 The Board, on the recommendation of the Nomination Committee, shall appoint the Chair of the Committee who shall be an independent Non-executive Director and have served on a remuneration committee for at least 12 months. In the absence of the Chair of the Committee and an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting, who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not be Chair of the Committee.

## 2. Secretary

- 2.1 The Group Company Secretary or their nominee shall act as the Secretary.

## 3. Quorum and Voting

- 3.1 The quorum necessary for the transaction of business shall be two.

## 4. Meetings

- 4.1 The Committee shall meet at least three times a year.

## 5. Notice of Meetings

- 5.1 Meetings of the Committee shall be convened by the Secretary at the request of the Chair of the Committee or any of its members.

- 5.2 Unless otherwise agreed, the Secretary or their nominee shall circulate notice of each meeting including an agenda of items to be discussed. Any supporting papers shall be circulated or made available electronically to each member of the Committee, members of the Board and any other person required to attend as appropriate, in advance where possible.

## **6. Minutes of Meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings. These shall be circulated to the Chair of the Committee.
- 6.2 If any conflicts exist with a member of the Committee on any issue, then such member of the Committee shall not participate or vote on the issue that gives rise to such conflict of interest.

## **7. Shareholder Engagement**

- 7.1 The Chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, they should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility and consider how the views of shareholders will be taken into account in determining executive remuneration.

## **8. Duties**

### **8.1 Remuneration**

The Committee shall:

- 8.11 determine the policy for directors' remuneration and setting remuneration for the Chair of the Board, all Executive Directors, the Company Secretary and for members of the Group Executive Committee. No individual shall be involved in any decisions as to their own remuneration.
- 8.12 in determining the remuneration policy, take into account all other factors which it deems necessary including:
- 8.12.1 relevant legal and regulatory requirements including the provisions and recommendations of the UK Corporate Governance Code (the Code) and associated guidance, the FCA's Listing Rules and associated guidance and including to the extent deemed appropriate, the rules of the New York Stock Exchange and any other exchange on which the Company's equity securities are listed.
  - 8.12.2 design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
  - 8.12.3 the objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.
- 8.13 determine the policy for shareholding requirements for Executive Directors that promote long-term shareholdings by them and supports alignment with long-term shareholder interests, including post-employment shareholding requirements.
- 8.14 review the ongoing appropriateness and relevance of the Directors' Remuneration Policy.
- 8.15 within the terms of the approved Directors' Remuneration Policy, and in consultation with the Chair of the Committee and/or Chief Executive as appropriate, determine the total individual remuneration package of each Executive Director, the Chair of the Board and Group Executive Committee, including salary or fee levels, bonuses, incentive payments, share options or other share awards and pensions, as appropriate. In determining such total remuneration packages, the Committee will oversee the operation of any bonus and long-term incentive plans, including the review and approval of awards, setting performance targets, the approval of any vesting, performance periods, holding periods and the application of clawback and malus. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent

judgement and discretion when determining remuneration awards, taking account of company and individual performance, and wider circumstances. As relevant, the Committee shall agree terms for cessation of employment for those within its remit and determining if and, to what extent, an individual should be treated as a 'good leaver' within the scope of the relevant plan rules and the approved Directors' Remuneration Policy.

- 8.16 have authority to appoint remuneration consultants to advise the committee which it deems necessary at the expense of the company. Exercise independent judgement when evaluating the advice of the remuneration consultants. The Committee shall keep abreast of external remuneration trends, market conditions and corporate governance best practices, and have authority to obtain reliable, up to date information regarding remuneration in other companies and to commission any reports or surveys which it deems necessary to help fulfil its obligations.
- 8.17 review the design of all share incentive plans for approval by the Board, and where required, shareholders. For relevant plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for Executive Directors, the Company Secretary and Group Executive Committee members, and the performance targets to be used, as well as the corresponding vesting and additional holding periods (both during and post-employment), including unvested shares, and the minimum shareholding requirement of any of the Executive Directors. The Committee shall also oversee the administration of such plans and will monitor the share plan dilution within the plan rule limits.
- 8.18 review workforce remuneration and related policies, including the Company's gender and ethnicity pay gap analysis and related disclosures.

## **8.2 Talent and Succession Planning**

- 8.21 oversee the development of a diverse pipeline for succession and keep under review the leadership and succession needs of the Company with a view to ensuring the continued ability to compete effectively in the Company's marketplace, taking into account the challenges and opportunities facing the Company and make recommendations to the Board accordingly.

## **8.3 Culture and Workforce**

- 8.31 support the Board on its recommended approach to workforce engagement and activities undertaken throughout the year and monitor the effectiveness of the chosen workforce engagement approach.
- 8.32 Review the Company's culture framework and assess and monitor how it is being embedded.

# **9 Risk**

- 9.1 The Committee shall be responsible for monitoring the tolerance and progress of the People, Capability and Capacity Group Principal Risk:

## **10 Committee Interface with Other Committees**

- 10.1 The Committee shall work and liaise as necessary with other Board Committees, ensuring the interaction between the Committees and with the Board is regularly reviewed.
- 10.2 The Group Executive Committee via the Chief Executive who shall keep the Committee advised with respect to leadership and succession issues in the Company, including any risks relating to retaining key personnel;

## **11 Reporting responsibilities**

- 11.1 The Chair of the Committee shall report to the Board after each meeting on the nature and content of its discussion, recommendations and actions to be taken.
- 11.2 The Committee shall:
  - 11.2.1 ensure that provisions regarding disclosure of information as set out in the Companies (Directors Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled.
  - 11.2.2 include a description of the work of the Committee in the annual report in accordance with the Code.

- 11.2.3 identify any appointed remuneration consultants in the annual report alongside a statement about any other connection it has with the company or individual directors.
- 11.2.4 produce an annual report on remuneration practices and the Directors' Remuneration Policy is included in the company's annual report and put to shareholders for approval at the annual general meeting as necessary.
- 11.2.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.2.6 The Committee shall provide a report on the work of the People & Remuneration Committee in discharging its duties and responsibilities during the year for inclusion in the Company's Annual Report and Accounts in line with the UK Corporate Governance Code.

## **12 Authority**

- 12.1 Subject to any restrictions imposed by law, the Committee is authorised by the Board to seek any information it requires from any employee of the Company and its subsidiaries in order to perform its duties and all employees are directed to cooperate with any request made by the Committee.
- 12.2 The Committee is authorised by the Board to call any Director or employee to be present at a meeting of the Committee as and when required.
- 12.3 The Committee is authorised by the Board to access sufficient resources and professional advice, as is reasonable at the Company's expense, in order to carry out its duties, including access to the Company Secretariat team for assistance as required.
- 12.4 The Committee shall have the authority to establish the Share Schemes Sub-Committee to delegate to it all the powers, authorities and discretions given to the Committee in relation to the operation and/or administration of the employee equity participation arrangements to that sub-committee (and for further sub-delegation where appropriate) save in respect of any matters relating to those individuals set out in 8.1 (other than giving effect to decisions made by the Committee) or any other matters specifically reserved by the Committee.

## **13 Other matters**

The Committee shall:

- 13.1 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 13.2 ensure that a periodic evaluation of the Committee's own performance is carried out as well as a review of its terms of reference.

# TERMS OF REFERENCE OF THE RESPONSIBLE BUSINESS COMMITTEE

APPROVED NOVEMBER 2025.

Reference to the “Company” shall mean National Grid plc.

Reference to the “Committee” shall mean the Responsible Business Committee

Reference to the “Board” shall mean the Board of Directors of the Company.

Reference to the “Group” shall mean the Company and its subsidiaries.

## Purpose

1.1 The Committee assists the Board in fulfilling its oversight responsibilities in respect of the Company’s role as a responsible business and its related disclosures. The Committee has responsibility for monitoring and challenging strategies, policies, initiatives and risk exposure related to political, societal and regulatory matters as well as performance against climate and sustainability related targets. The Committee also has responsibility for overseeing reputational risk across the Company’s stakeholder groups, including but not limited to the following:

- Customers
- Regulators
- Government
- General Public/Community
- Employees
- Suppliers
- Investors

## 2. Membership

2.1 The Committee Chair and Committee members shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chair of the Committee, where necessary. In the absence of the Chair of the Committee and any appointed deputy, the remaining members present shall elect a Non-executive Director member present to chair the meeting.

2.2 The Committee shall comprise at least three members, of whom at least two shall be independent Non-executive Directors.

2.3 Committee members have the right to attend Committee meetings. Other Non-executive Directors are also allowed to attend if they wish. Other individuals such as the Chief Executive, Chief Corporate Affairs Officer, Chief Legal Officer, Chief Strategy and Regulation Officer, Chief Sustainability Officer, Chief Risk Officer, Group Financial Controller and Head of Internal Audit may be invited to attend meetings of the Committee, as and when considered appropriate by the Committee.

## 3. Secretary

3.1 The Group Company Secretary or their nominee shall act as the Secretary of the Committee.

## 4. Quorum and voting

4.1 The quorum necessary for the transaction of business shall be two.

4.2 If any conflicts of interest exists with a particular member of the Committee on any particular issue, then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest.

## **5. Meetings**

- 5.1 The Committee shall meet at least three times a year.

## **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee or any of its members.
- 6.2 Unless otherwise agreed, the Secretary or their nominee shall circulate notice of each meeting including an agenda of items to be discussed. Any supporting papers shall be circulated or made available electronically to each member of the Committee, members of the Board and any other person required to attend as appropriate, in advance where possible.

## **7. Minutes of Meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. These shall be circulated to the Chair of the Committee.
- 7.2 The Chair of the Committee, or in their absence another member of the Committee, will report to the Board on all meetings of the Committee.

## **8. Shareholder Engagement**

- 8.1 The Chair of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

- 9.3 The Committee shall carry out the duties below for the Group as appropriate.
- 9.3.1 review and approval of the Group's principal policies in the areas of sustainability, reputation and regulatory outcomes
  - 9.3.2 consideration of the impact of the Group's operations on the environment, workforce, communities and other stakeholders with whom it interfaces;
  - 9.3.3 consideration and recommendation for approval of the Group's sustainability strategy and monitor the performance of any key performance indicators therein;
  - 9.3.4 consideration and challenge of the Company's environmental performance, including emissions targets;
  - 9.3.5 consideration of key issues or topics relating to sustainability that are material to the Group;
  - 9.3.6 review and oversight of the Group's social and community activities;
  - 9.3.7 review and receive updates on the Company's progress on climate change and sustainability goals and monitor associated key performance indicators;
  - 9.3.8 review of the Responsible Business Report disclosures and messaging in line with the Group's responsible business strategy and, in conjunction with the Audit, Risk & Finance Committee, recommend to the Board the approval of the Responsible Business Report;
  - 9.3.9 receive updates on the Company's progress against its climate transition plan (CTP), review any changes to the CTP and recommend this for approval to the Board including any shareholder advisory vote;
  - 9.3.10 review the sustainability disclosures in the Annual Report and Accounts; and hold a joint meeting with the Audit, Risk and Finance Committee, as required, to discuss the approach and reporting on environmental and sustainability matters;
  - 9.3.11 Oversight and synthesis of stakeholder, customer, community, government and regulatory engagement and sentiment, including policy advocacy positioning;
  - 9.3.12 Measure and monitor the public narrative that describes National Grid's identity, goals and what it stands for; and

9.3.13 Oversight of external affairs, specifically reporting on potential future reputational, regulatory and economic risks.

9.3.14 Oversight and synthesis of stakeholder, consumer, community engagement, and policy advocacy positioning.

#### **9.4 Audit and Compliance**

9.4.1 The Committee shall be updated on any audits, related to matters pertinent to the Committee, planned for the year ahead and discuss any serious findings from these.

#### **9.5 Risk**

9.5.1 The Committee shall be responsible for monitoring the tolerance and progress against the following Group Principal Risks:

- Political & Societal Expectations
- Climate Change Mitigation
- Satisfactory Regulatory Outcomes

The Committee will invite the Audit, Risk and Finance Committee Chair to attend meetings where Group Principal Risks are reviewed and discussed, where necessary.

### **10. Other Matters**

10.1 The Committee shall work and liaise as necessary with other Board Committees and the Board.

10.2 Subject to any restrictions imposed by law, the Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties and all employees are directed to cooperate with any request made by the Committee.

10.3 The Committee is authorised by the Board to access sufficient resources and professional advice, as is reasonable at the Company's expense, in order to carry out its duties, including access to the company secretariat for advice and assistance as required.

10.4 The Committee shall ensure that a periodic evaluation of the Committee's own performance is carried out as well as a review of its terms of reference

10.5 Members of the Committee should, where practicable, plan to attend at least two site visits a year.

10.6 Members shall be provided with an induction and training as appropriate.

# TERMS OF REFERENCE OF THE SAFETY & OPERATIONS COMMITTEE

APPROVED NOVEMBER 2025

Reference to the “Company” shall mean National Grid plc.

Reference to the “Committee” shall mean the Safety & Operations Committee

Reference to the “Board” shall mean the Board of Directors of the Company.

Reference to the “Group” shall mean the Company and its subsidiaries.

## Purpose

- 1.2 The Committee assists the Board in fulfilling its oversight responsibilities in respect of reviewing and challenging the strategies, policies, initiatives, risk exposure, targets and performance of the Company, in relation to safety and wellbeing.
- 1.3 The Committee further provides oversight of the Company’s major capital projects and operational activities, particularly in relation to delivery, governance and risk management, and execution.

## 2. Membership

- 2.1 The Committee Chair and Committee members shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. In the absence of the Chair of the Committee and any appointed deputy, the remaining members present shall elect a Non-executive Director member present to chair the meeting.
- 2.2 The Committee shall comprise at least three members, of whom at least two shall be independent Non-executive Directors.
- 2.3 **Committee members have the right to attend** Committee meetings. Other Non-executive Directors are also allowed to attend if they wish. Other individuals such as the Chief Executive, Chief Financial Officer, President of Strategic Infrastructure, Chief Health, Safety and Wellbeing Officer, Group Financial Controller, Chief Risk Officer, Head of Internal Audit, Chief Legal Officer, and Group Chief Engineer may be invited to attend meetings of the Committee, as and when considered appropriate by the Committee.

## 3. Secretary

- 3.1 The Group Company Secretary or their nominee shall act as the Secretary of the Committee.

## 4. Quorum and voting

- 4.1 The quorum necessary for the transaction of business shall be two.
- 4.2 If any conflicts of interest exists with a particular member of the Committee on any particular issue, then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest.

## 5. Meetings

- 5.1 The Committee shall meet at least three times a year.

## 6. Notice of Meetings

- 6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee or any of its members.
- 6.2 Unless otherwise agreed, the Secretary or their nominee shall circulate notice of each meeting including an agenda of items to be discussed. Any supporting papers shall be circulated or made available electronically to each member of the Committee, members of

the Board and any other person required to attend as appropriate, in advance where possible.

## **7. Minutes of Meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. These shall be circulated to the Chair of the Committee.
- 7.2 The Chair of the Committee, or in their absence another member of the Committee, will report to the Board on all meetings of the Committee.

## **8. Shareholder Engagement**

- 8.1 The Chair of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

- 9.6 The Committee shall carry out the duties below for the Group as appropriate.

### **9.7 Safety and wellbeing**

The Committee's duties with regard to safety shall encompass occupational, public and process safety and shall include:

- 9.7.1 review of the Key Performance Indicators and other measures adopted by the Company in relation to safety and wellbeing metrics, including the results of the Safety Culture Survey;
- 9.7.2 oversight of fatalities and/or significant incidents as a result of the Group's business operations. The Committee shall be kept informed of the circumstances of the incident, related investigations and follow up measures being taken;
- 9.7.3 review of security as necessary, to include physical and personnel security;
- 9.7.4 consideration of the activities of the Group Chief Engineer's office and engineering capability across the organisation;
- 9.7.5 in the event of any proposed increase in risk appetite in respect of Group safety rules and standards, the Committee shall be required to consider and approve such a change;
- 9.7.6 review and oversight the Company's performance with regard to health and the wellbeing of the workforce;
- 9.7.7 review and challenge, as necessary, of any key issues related to safety identified through the year by the Committee; and
- 9.7.8 review, as necessary, safety related disclosures in the Annual Report and Accounts.

The Chair of the Committee or, in their absence, another member of the Committee shall:

- 9.7.9 be notified of any fatalities occurring in connection with or as a result of the Company's operations as soon as practicable;
- 9.7.10 report orally to the Board on meetings of the Committee. All fatal incidents, potential criminal prosecutions, potentially serious near misses and any other matters of appropriate significance will be reported to the first available Board meeting.

### **9.8 Operations**

The Committee's duties with regard to operations will provide oversight of the Group's major projects and other operational matters and shall include:

- 9.8.1 review and oversight of the Company's major capital projects and progress against delivery, risk and activity;
- 9.8.2 monitor the performance of the major capital projects against Key Performance Indicators;
- 9.8.3 oversight of the governance and progress of matters approved by the Executive Group Investment Committee; and
- 9.8.4 consideration, through deep dives, of key issues or topics relating to operations that are material to the Group.

## **9.9 Audit and Compliance**

- 9.9.1 The Committee shall be updated on any safety, wellbeing and operational audits planned for the year ahead and discuss any serious findings from these.

## **9.10 Risk**

- 9.10.1 The Committee shall be responsible for monitoring the tolerance and progress against the following Group Principal Risks:
  - Major Capital Programmes
  - Significant Safety or Environmental Event
  - Upstream Supply
  - Significant Disruption of Energy
- 9.10.2 The Committee will invite the Audit, Risk and Finance Committee Chair to attend meetings where Group Principal Risks are reviewed and discussed, where necessary.

## **10. Other Matters**

- 10.1 The Committee shall work and liaise as necessary with other Board Committees and the Board.
- 10.2 Subject to any restrictions imposed by law, the Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties and all employees are directed to cooperate with any request made by the Committee.
- 10.3 The Committee is authorised by the Board to access sufficient resources and professional advice, as is reasonable at the Company's expense, in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
- 10.4 The Committee shall ensure that a periodic evaluation of the Committee's own performance is carried out as well as a review of its terms of reference
- 10.5 Members of the Committee should, where practicable, plan to attend at least two site visits a year.
- 10.6 Members shall be provided with an induction and training as appropriate.

# RESPONSIBILITIES OF CHAIR, CHIEF EXECUTIVE AND SENIOR INDEPENDENT DIRECTOR

APPROVED MARCH 2026.

All Directors must act in what they consider to be the best interests of the Company, consistent with their statutory duties under the Companies Act 2006, sections 170 to 177. In addition to these statutory duties, below are the main responsibilities of the Chair, CEO and Senior Independent Director. The role and duties can also be found in each of the respective appointment letters.

## CHAIR

**Role:** Managing and leading the Board

### Main responsibilities

#### Board

- To lead and chair the Board and ensure its effectiveness on all aspects of its role
- To lead and chair general meetings and the Nomination Committee
- To demonstrate objective judgement throughout their tenure and promote a culture of openness and debate
- With the assistance of the Group Company Secretary, promote the highest standards of corporate governance
- Regularly review the performance of the Board, its Committees and the Directors and act on the results and report to the Board, where appropriate
- With support of the Chief Executive ensure effective implementation of Board decisions

#### Directors

- Manage and review regularly the Board composition and succession planning
- Regularly review training and development needs of the Directors and the Board as a whole
- Facilitate the effective contribution of Non-executive Directors
- Promote effective relationships and open communications
- Encourage active engagement by all members of the Board
- Ensure appropriate delegation of authority from the Board to the Executive Directors
- Ensure constructive relations by acting as the bridge between Executive and Non-executive Directors
- Advise and counsel the Chief Executive
- Liaise with the Senior Independent Director
- Hold regular meetings with the Non-executive Directors without the Executive Directors present
- Ensure full, formal and tailored director induction plans

#### Meetings

- Manage the Board to ensure enough time is allowed for discussion of complex or contentious issues
- Ensure that Directors receive accurate, timely and clear information to enable the Board to make effective and well considered decisions
- Set the Board agendas and ensure sufficient time is given to items as appropriate with a particular focus on forward looking and strategic issues
- Relations with Shareholders
- Be available for shareholders
- Together with the Chief Executive ensure effective communications with shareholders
- In addition to formal general meetings, maintain sufficient contact with major shareholders/institutional investors to understand their issues and concerns, in particular governance, strategy and remuneration
- Ensure an adequate process for the views of shareholders is communicated to the Board as a whole to ensure all views are clearly understood

- With the assistance of the Group Company Secretary, establish processes that enable the Board to understand the views of the Company's shareholders, workforce, customers and other key stakeholders to be considered in Board discussions and decision making

## **CHIEF EXECUTIVE**

**Role:** Managing the Company and the Group's business

### **Main responsibilities**

#### **Company**

- Leadership of the Group Executive Committee and the senior executive team in the day to day running of the Group's business, including chairing the Group Executive Committee and communicating its decisions/recommendations to the Board
- Formulate and implement corporate vision, strategy and business plans, including the identification of new business developments and acquisitions, for approval by the Board and execution of the agreed strategy
- Accountable to the Board for developing the strategy objectives and business plans
- Responsible to the Board for the operational performance of the business
- Responsible for organisational structure and appointments, recommending changes as appropriate
- Support the Chair with ensuring effective implementation of Board decisions in respect of the business
- Responsible for leading sector and commercial relationships
- Responsible for oversight of regulatory interface
- Corporate and internal communications
- Support the Chair to ensure appropriate standards of governance throughout the Company
- Support the development of a strong and diverse talent pipeline to the Group Executive Committee and direct reports to the Group Executive Committee

#### **Directors**

- Keep the Chair promptly informed on all matters that may be of importance to the Board or of which the Board should be aware
- Responsible for employee relations including acting as a bridge between the Board and the Company's employees

#### **Relations with Shareholders**

- Be available for shareholders
- Together with the Chair deliver/manage effective communications with shareholders
- Ensure the views of shareholders are communicated to the Board as a whole to ensure they have a clear understanding of all shareholder views

## **SENIOR INDEPENDENT DIRECTOR (SID)**

**Main responsibilities:** The Senior Independent Director will:

- be a Non-executive Director;
- be independent, in accordance with the criteria set out in the UK Corporate Governance Code;
- be available to shareholders if they have concerns, which contact through the normal channels of Chair, Chief Executive or other Executive Directors, has failed to resolve or for which such contact is inappropriate;
- be available to attend sufficient meetings with a range of major shareholders and financial analysts to listen to their views in order to help develop a balanced understanding of the issues and concerns of such shareholders;
- chair the Nomination Committee when it is considering succession to the role of Chair of the Board;
- meet with the Non-executive Directors at least once a year to lead the appraisal of the Chair's performance and on such other occasions as are deemed appropriate, taking into account the views of the Executive Directors; and
- act as a sounding board for the Chair and serve as an intermediary for the other Directors when necessary.

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