

SSE plc

Registered in Scotland No.: SC117119

Registered Office: Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, you should seek your own advice from an independent professional adviser.

If you have sold or otherwise transferred all your shares in SSE plc, you should pass this Notice and any documents that came with it to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

Notice of Annual General Meeting 2021

To be held at and broadcast via a live webcast from the Perth Concert Hall, Mill Street, Perth PH1 5HZ on Thursday, 22 July 2021 at 12.30pm.

With continued uncertainty around the status of the coronavirus pandemic and prevailing restrictions, the Board strongly recommends that shareholders do not attend the Annual General Meeting (AGM) in person and instead are encouraged to join remotely via the webcast provision which is detailed in this Notice.

If required, further information in respect of in person attendance, including modifications necessary to ensure social distancing measures are adhered to, will be published closer to the date of the AGM on the Company's website sse.com.

Key dates:

Submission of pre-AGM questions: 28 June 2021 at 9.00am to 2 July 2021 at 5.00pm

Responses to pre-AGM questions published on the website: 14 July 2021 at 5.00pm

Registration deadline to attend the physical AGM: 15 July 2021 at 5.00pm

Proxy submission deadline: 20 July 2021 at 12.30pm

AGM: 22 July 2021 at 12.30pm

Dear Shareholder,

Notice of Annual General Meeting

I would like to inform you that the Annual General Meeting (AGM) of SSE plc (the Company) will be held at and broadcast live from Perth Concert Hall, Mill Street, Perth PH1 5HZ on Thursday, 22 July 2021 at 12.30pm. The broadcast will enable shareholders to watch the meeting and ask questions in real time using an electronic webcast platform as described below. This will be my first AGM as Chair and I am looking forward to updating shareholders on the Company's performance and the progress we are making on the delivery of our net zero-focused strategy.

This Notice of Meeting for the AGM 2021 sets out in full the resolutions to be voted on, together with explanatory notes on all the business to be considered. It is recommended that, along with this Notice, you also take time to consider the SSE Annual Report 2021 before deciding on your vote. The Annual Report is accessible, along with SSE's Sustainability Report 2021, on the Company's website, sse.com.

Possible modifications to AGM arrangements

Please note the following information is accurate as at the date of this Notice. Any changes to these arrangements will be communicated on the Company's website and announced via Regulatory News Service (RNS). All shareholders are therefore encouraged to monitor the Company's website for the most up to date information.

Safely joining the AGM via webcast

We have sought to provide opportunities for shareholder engagement whilst observing our Articles of Association and considering any potential government-mandated coronavirus restrictions. We are pleased to offer shareholders a new, online AGM experience for the first time this year. **With continued uncertainty around the status of the pandemic and prevailing restrictions in place the Board strongly recommends that shareholders do not attend the AGM in person, and notes that Scottish Government guidance at the time could prevent them from doing so. Instead shareholders are encouraged to join remotely via the webcast provision described below.** Please note that joining remotely will not constitute attendance and shareholders will not be able to vote at the meeting. Shareholders are therefore asked to submit their votes by proxy and are encouraged to do so by electronic means.

Pre-registration of intent to attend the AGM

To the extent shareholders wish to attend in person and can do so safely and in accordance with the prevailing government guidance at the date of the meeting, the Board kindly requests that shareholders pre-register their intentions to attend by emailing AGMRegistration@sse.com no later than 5.00pm on 15 July 2021. Please include your full name and Investor Code (IVC) in the email. Your IVC can be found on the Form of Proxy which accompanies this Notice, your share certificate and SSE Shareholder Portal users can find this on their online account. Shareholders being accompanied by a carer are asked to enter their carer's name as well. In order to ensure the physical place of the meeting is safe, some additional measures may need to be introduced at this year's AGM (e.g. social distancing, face coverings) and in-person attendance is subject to venue capacity constraints.

Voting arrangements

Voting at the AGM will be taken on a poll. The results of the voting will be announced through RNS and will be published on our website sse.com on 22 July 2021 or as soon as practicable after the AGM.

Shareholders are strongly encouraged to participate in the AGM by voting by proxy ahead of the meeting and given the ongoing uncertainty around pandemic restrictions we recommend that all shareholders appoint the Chair of the meeting as their proxy. **All voting instructions should be made as soon as possible and by no later than 12.30pm on Tuesday, 20 July 2021.** The ways to vote, in advance of or at the AGM, are as follows with full details of voting procedures set out on [pages 14 and 15](#) of this Notice.

1. Appointment of proxy ahead of the AGM:

- **Hard copy proxy form:** return a completed form to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.
- **Electronic appointment:** submit your Form of Proxy electronically by visiting sse.com. You will need your Investor Code (IVC).
- **Appointment of proxy using CREST:** please refer to the CREST section on [page 14](#) of this Notice. Information about the Proxymity voting platform can be found on [page 15](#) of this Notice.

2. Attending the AGM in person:

Although this is not recommended by the Board, if your intention is to attend, the Board kindly requests that you pre-register your intention to attend per the instructions set out above.

SSE employees only: Share Incentive Plan participants, and Sharesave participants who hold shares in a Share Plan Account (SPA), will receive separate instructions on how to vote in respect of their plan shares from our share plan administrators Computershare. You should continue to vote by one of the above means in respect of your certificated shares.

Shareholder questions

Ahead of AGM

In addition to asking questions at the AGM, any shareholder who wishes to raise a question in connection with the business to be conducted at the AGM can do so by emailing it to AGMQuestion@sse.com. A window for submission will open on Monday 28 June 2021 at 9.00am and close on Friday 2 July 2021 at 5.00pm. The Company will publish responses to the matters raised by shareholders on the business of the meeting on sse.com no later than 5.00pm on 14 July 2021. We hope this will provide shareholders with an opportunity to consider the SSE Annual Report 2021 and this Notice, and receive responses to their questions before submitting their proxy votes.

At the AGM

There are three ways in which shareholders can ask questions at the AGM itself. This can be done online through a chatbox function, by telephone, or in person (if attending the meeting). More details on how to join the AGM online and ask a question can be found in **Appendix 1**. Please note the AGM will be recorded and broadcast live. Our privacy notice can be found on sse.com.

The Board will endeavour to answer all the questions in connection with the business of the AGM raised at the meeting. Q&A transcripts of the questions asked at the AGM will be made available on the Company's website. The Company may consolidate questions of a similar nature submitted ahead or at the AGM to avoid unnecessary duplication.

Webcast provision

Shareholders and their duly appointed representatives and/or proxies are invited to join the AGM remotely via live webcast which can be accessed by logging on to <https://web.lumiagm.com> (the Lumi website will open 30 minutes before the scheduled time of the AGM). This will allow shareholders to watch the AGM and ask questions in real time. A user guide can be found in **Appendix 1** in respect of the electronic elements of the AGM, including instructions on how to join the meeting and ask questions on the day along with the relevant contact details if you encounter any issues. **A shareholder joining the AGM by means of electronic facility is responsible for ensuring they have access to and can use the facility.** **Appendix 1** also includes instructions on how to appoint proxies and corporate representatives to join on a shareholder's behalf.

Business of the meeting

In addition to the routine business, there are four additional resolutions being proposed this year: (a) renewal of the Sharesave scheme; (b) amendments to the Company's Articles of Association; (c) renewal of SCRIP dividend scheme; and (d) to support ongoing engagement with shareholders on climate-related issues, a Company-led enabling resolution that establishes a framework for an annual advisory vote on SSE's Net Zero Transition report at future AGMs. A detailed overview of these resolutions can be found in the Explanatory Notes of this Notice.

Recommendation

The Board believes that Resolutions 1 to 23 contained in the Notice of Annual General Meeting 2021 are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

Yours faithfully



Sir John Manzoni
Chair, SSE plc
25 May 2021

NOTICE OF ANNUAL GENERAL MEETING 2021

NOTICE IS HEREBY GIVEN that the THIRTY SECOND ANNUAL GENERAL MEETING (AGM) of SSE plc (the "Company") will be held at Perth Concert Hall, Mill Street, Perth PH1 5HZ on Thursday, 22 July 2021 at 12.30pm for the purpose of transacting the following business:

To consider and, if thought fit, pass the following resolutions, of which Resolutions 1 to 19 will be proposed as Ordinary Resolutions and Resolutions 20 to 23 will be proposed as Special Resolutions:

Report and Accounts

Resolution 1: to receive the Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 March 2021.

Remuneration Report

Resolution 2: to approve the Remuneration Report 2021.

Dividend

Resolution 3: to declare a final dividend for the year ended 31 March 2021 of 56.6 pence per Ordinary Share payable on 23 September 2021.

Directors

Resolution 4: to re-appoint Gregor Alexander as a Director of the Company.

Resolution 5: to re-appoint Sue Bruce as a Director of the Company.

Resolution 6: to re-appoint Tony Cocker as a Director of the Company.

Resolution 7: to re-appoint Peter Lynas as a Director of the Company.

Resolution 8: to re-appoint Helen Mahy as a Director of the Company.

Resolution 9: to appoint John Manzoni as a Director of the Company.

Resolution 10: to re-appoint Alistair Phillips-Davies as a Director of the Company.

Resolution 11: to re-appoint Martin Pibworth as a Director of the Company.

Resolution 12: to re-appoint Melanie Smith as a Director of the Company.

Resolution 13: to re-appoint Angela Strank as a Director of the Company.

Auditor

Resolution 14: that Ernst & Young LLP be re-appointed as the Auditor of the Company, to hold office until the conclusion of the next general meeting at which Financial Statements are laid before the Company.

Resolution 15: that the Audit Committee of the Board be authorised to determine the Auditor's remuneration.

Authority to allot shares

Resolution 16: that the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount equal to £173,851,098 and such authority to apply until the earlier of the conclusion of the Annual General Meeting 2022 and close of business on 30 September 2022, except that the Company may pursuant to the authority granted make offers and enter into agreements before such expiry which would, or might, require shares to be allotted or rights to be subscribed for, or convert securities into, shares to be granted after the authority ends, and the Directors may allot shares or grant rights to subscribe for, or convert securities into, shares under any such offer or agreement as if the authority had not expired.

Renewal of Scrip Dividend Scheme

Resolution 17: that:

- (a) the Directors be and are hereby authorised to offer holders of its Ordinary Shares (excluding members holding any shares as Treasury Shares) the right to elect to receive Ordinary Shares, credited as fully paid, instead of a cash dividend from time to time or for such period as the Directors may determine, all pursuant to the provisions of the Company's Articles of Association, as in force from time to time, and on such other terms and conditions as the Directors may from time to time determine, provided that the authority conferred by this Resolution shall expire at the end of the third Annual General Meeting of the Company after the date on which this Resolution is passed; and
- (b) for the purposes of any offer made pursuant to paragraph (a) of this Resolution, the Directors be and are hereby authorised, in accordance with the Company's Articles of Association, as in force from time to time, to capitalise such amount standing to the credit of any reserve or account of the Company as may be necessary and apply the same in paying up and allotting and issuing new Ordinary Shares in the Company to the ordinary shareholders who have, or are deemed to have, validly accepted such an offer in accordance with their respective entitlements.

Sharesave

Resolution 18: that the updated rules of the SSE plc 2001 Sharesave Scheme (the "UK Sharesave"), the principal features of which are summarised in **Appendix 2** to this Notice, be approved and the Directors be authorised to:

- (a) do all such other acts and things as they may consider appropriate to continue to operate the UK Sharesave including making any changes to the rules of the UK Sharesave necessary or desirable in order to ensure that the UK Sharesave satisfies the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003; and
- (b) establish schedules to, or further incentive plans based on, the UK Sharesave but modified to take account of local tax, exchange control or securities laws in overseas territories.

Net Zero Transition report

Resolution 19: that, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, shareholders accept and approve the Company's proposal to adopt a plan to become a net zero business in its scope 1, 2 and 3 greenhouse gas emission by 2050 or sooner, consistent with limiting the average global temperature increase to 1.5°C with low or no overshoot, in line with the goals of the Paris Agreement ("Paris Goals")*.

That, the Company shall hereafter:

- (a) propose a resolution at each Annual General Meeting of the Company for shareholders to receive, consider and express non-binding advisory approval of SSE's Net Zero Transition report.
- (b) report annually within the Company's annual Sustainability Report (or such other place as any or all of this information may be required by applicable rules or laws) on the terms and implementation of the Net Zero Transition plan, and in accordance with the Final Recommendations of the Task Force on Climate-related Financial Disclosures (the "Net Zero Transition report").
- (c) using the latest developments in scientific understanding, regularly update the Company's interim greenhouse gas emission reduction targets (including scopes 1, 2 and 3) to ensure ongoing alignment with the Paris Goals.

* Nothing in this Resolution shall limit the Company's nor its Directors' powers to take any action which it believes in good faith would best promote the success of the Company.

Authority to disapply pre-emption rights

Resolution 20: that, subject to the passing of Resolution 16, the Directors be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as Treasury Shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- (a) to the allotment of equity securities and sale of Treasury Shares for cash in connection with an offer of, or invitation to apply for, equity securities to or in favour of: (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and (ii) holders of other equity securities, as required by the rights of those securities or as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury Shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (b) to the allotment of equity securities or sale of Treasury Shares (otherwise than under paragraph (a) above) up to a nominal amount of £26,077,664.

Such authority to expire at the end of the Annual General Meeting 2022 or, if earlier, at the close of business on 30 September 2022, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury Shares to be sold) after the authority expires and the Board may allot equity securities (and sell Treasury Shares) under any such offer or agreement as if the authority had not expired.

Authority to purchase own shares

Resolution 21: that the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary Shares of 50 pence each in the Company provided that:

- (a) the maximum number of Ordinary Shares authorised to be purchased is 104,310,659;
- (b) the minimum price which may be paid for such shares is 50 pence per share which amount shall be exclusive of expenses; and
- (c) the maximum price, exclusive of expenses, which may be paid for each such Ordinary Share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System in each case at the time the purchase is agreed.

Such authority shall expire at the earlier of the conclusion of the Annual General Meeting 2022 and close of business on 30 September 2022 (except in relation to a purchase of such shares, the contract for which was concluded before such time and which will or may be executed wholly or partly after such time and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended).

Notice of general meetings

Resolution 22: that a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice.

Articles of Association

Resolution 23: that the Articles of Association produced to the meeting and initialled by the Chair of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Existing Articles of Association.

By order of the Board

Sally Fairbairn
Company Secretary
25 May 2021

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

Ordinary and Special Resolutions

Resolutions 1 to 19 will be proposed as Ordinary Resolutions which require a simple majority of votes to be cast in favour to be passed. Resolutions 20 to 23 will be proposed as Special Resolutions which require a 75% majority of the votes to be cast in favour to be passed.

Resolution 1: Receipt of the Annual Report and Accounts 2021

The Directors of the Company must present their Annual Report and the Accounts, including the Independent Auditor's Report, to the Meeting and shareholders may raise any questions on the Annual Report and Accounts under this resolution.

Resolution 2: Approval of the Remuneration Report 2021

The Remuneration Report in the Company's Annual Report and Accounts for the year ended 31 March 2021 comprises: (a) the statement by the Remuneration Committee Chair; and (b) the Annual Report on Remuneration, which sets out the remuneration paid to the Company's Directors during the year ended 31 March 2021.

The Remuneration Report 2021 is set out on [pages 144 to 161](#) of the Annual Report 2021. The Resolution is advisory and does not affect the remuneration already paid to any Director.

Resolution 3: Declaration of the final dividend for 2021

A final dividend can be paid only after it has been approved by shareholders. A final dividend of 56.6 pence per Ordinary Share is recommended by the Directors for payment in cash on 23 September 2021 to shareholders on the Register of Members as at close of business on 30 July 2021 but excluding those shareholders in respect of whom a valid election to participate in the Company's Scrip Dividend Scheme shall have been received by the Company by 4.30pm on 26 August 2021. Shareholders for whom valid elections have been received by 4.30pm on 26 August 2021 will receive the final dividend in the form of new Ordinary Shares in the Company. Full details of the Company's Scrip Dividend Scheme are available in **Appendix 3** of this Notice and on the Company's website, [sse.com](#).

Resolutions 4 to 13: Appointment and re-appointment of Directors

In accordance with the UK Corporate Governance Code, all Directors should be subject to election or re-election by shareholders every year. The Company continues this practice for this year's AGM. Separate resolutions are proposed for each Director's appointment or re-appointment. More detail on specific reasons why each Directors' contribution is, and continues to be, important to the Company's long-term sustainable success can be found on [pages 10 to 13](#) of this Notice under 'Career and experience', and 'Skills and attributes which support strategy and long-term success'.

The Board, its Committees and the individual Directors participate in an annual performance evaluation. Further details of the performance evaluation process are set out on [pages 118 and 119](#) of the Annual Report 2021. The performance evaluation process confirmed the continuing independent and objective judgement of all the non-Executive Directors. The process also confirmed that the performance of all the current Directors standing for re-appointment and appointment continued to be effective and that they continue to demonstrate commitment in their respective roles. The Board recommends to shareholders the proposed appointment and re-appointment of all Directors set out in Resolutions 4 to 13. Full biographical details of each Director are set out in this Notice. The Executive Directors' service contracts and non-Executive Directors' letters of appointment are available for inspection as specified in Note 13 of this Notice.

Resolution 14: Appointment of Auditor

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. This resolution, on the Audit Committee's recommendation, proposes the re-appointment of Ernst & Young LLP as Auditor of the Company. If approved, Ernst and Young LLP, will be appointed as Auditor for the year ending 31 March 2022.

Resolution 15: Authority for the Audit Committee to agree the Auditor's remuneration.

This resolution authorises the Audit Committee, in accordance with standard practice, to agree the remuneration of the Auditor.

Resolution 16: Authority to allot shares

This resolution gives the Directors authority to allot shares, or grant rights over shares, limited to an aggregate nominal amount equal to £173,851,098 (representing 347,702,196 Ordinary Shares of 50 pence each excluding Treasury Shares) which, as at 25 May 2021, being the latest practicable date prior to the publication of this Notice, represented one third of the issued share capital of the Company (excluding Treasury Shares).

The authority will expire at the earlier of the conclusion of the AGM 2022 and close of business on 30 September 2022 (the last date by which the Company must hold an AGM in 2022).

The Directors have no present intention of issuing any shares, or of granting rights to subscribe for or to convert any security into shares, except in relation to, or in connection with, the operation and management of the Company's Scrip Dividend Scheme and the exercise of options under the Company's share plans. However, the Directors may consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that may arise consistent with the Company's strategic objectives.

As at 25 May 2021 (being the last practicable day prior to the printing of this Notice) the issued share capital of the Company consisted of 1,049,144,208 Ordinary Shares, with a nominal value of 50 pence each and carrying one vote each. This figure includes 6,037,617 Ordinary Shares which are held in treasury. The voting rights on Treasury Shares are automatically suspended. Therefore, the total number of voting rights in the Company was 1,043,106,591 as at 25 May 2021.

Resolution 17: Renewal of Scrip Dividend Scheme

The Directors are proposing that the Company renew the authority (originally granted at the AGM 2010) to operate an optional Scrip Dividend Scheme to commence with the proposed final dividend for the year ended 31 March 2021 which is payable in September 2021. The Scrip Dividend Scheme gives shareholders the right to elect to receive new Ordinary Shares in the capital of the Company (credited as fully paid) instead of cash.

The Directors believe that the offer of the Scrip Dividend Scheme is advantageous and allows shareholders to increase their shareholding in the Company in a simple manner without paying dealing costs or stamp duty. The Scrip Dividend Scheme also gives the Company greater flexibility in managing its capital resources by retaining cash within the business. The Scrip Dividend Scheme is subject to shareholder approval. In line with relevant investor protection guidelines, the authority contained in Resolution 17 is sought for three years, and will therefore expire on the day of the Annual General Meeting to be held in 2024. Unless circumstance change, the Directors would expect to seek an extension of this authority before it expires.

Details of how the Scrip Dividend Scheme operates are explained in the Terms and Conditions in **Appendix 3** which forms part of this document, and can also be found on [sse.com](#). If renewed, the Scrip Dividend Scheme will continue to allow existing participants to receive Ordinary Shares for every cash dividend entitlement where the Scrip alternative is offered, unless and until they notify the Company otherwise. Shareholders who wish to participate in the Scrip Dividend Scheme will need to complete a Scrip Dividend Mandate Form in accordance with the Terms and Conditions. Shareholders who hold their Ordinary Shares in CREST can only participate in the Scrip Dividend Scheme by use of the CREST Dividend Election Input Message. Evergreen instructions are not permitted and shareholders must complete a Dividend Election Input Message on each occasion otherwise any dividend entitlement will be paid in cash.

The number of New Shares that shareholders will be entitled to receive under the Scrip Dividend Scheme will be calculated by reference to the amount of the cash dividend, the number of shares held and the Scrip Reference Share Price. The Scrip Reference Share Price is the average closing middle market quotations for the Company's shares over five dealing days commencing on the ex-dividend date for each dividend. In accordance with the Articles of Association of the Company, approval is sought to capitalise sums standing to the credit of the reserves of the Company, including the share premium account. This would enable the Directors to apply such sums in paying up in full the nominal amounts of New Shares allotted to shareholders pursuant to the elections under the Scrip Dividend Scheme.

If renewed by shareholders, the Scrip Dividend Scheme will operate for the final dividend of 56.6 pence per share for the year ended 31 March 2021, payable on 23 September 2021, and for future dividends during the period when the Scrip Dividend Scheme is in effect. An expected timetable of events in relation to the final dividend for the year ended 31 March 2021 is set out below. The timetable for future Scrip Dividends will be made available on the Company's website [sse.com](#).

If every shareholder elects to participate in the Scrip Dividend Scheme for their entire holding, based on the proposed final dividend of 56.6 pence per share and an illustrative Scrip Reference Price of £15.50 (being the closing share price as at 25 May 2021), the maximum number of shares that could be awarded would be 38,090,215 representing approximately 3.65% of the issued share capital (excluding Treasury Shares) of the Company as at 25 May 2021. If no elections for the Scrip Dividend Scheme are received, based on the proposed final dividend of 56.6 pence per share and the issued share capital as at 25 May 2021, being the last practical date before the publication of this Notice, the total cash dividend payable to shareholders will be £590.4m.

Scrip Dividend timetable for the final dividend for the year ended 31 March 2021

29 July 2021	Ex-dividend date
30 July 2021	Record date
29 July to 4 August 2021	Scrip Reference Share Price calculation period
5 August 2021	Scrip Reference Share Price announced
26 August 2021	Last date for receipt of Scrip elections
23 September 2021	Dividend payment/issue of New Shares

Resolution 18: Sharesave

Authority is sought to approve the extension of the SSE plc 2001 Sharesave Scheme (the "UK Sharesave") for a 10-year period on the terms of an updated set of rules. The Company considers employee share ownership to be a key part of the Company's overall remuneration strategy which enables the Company to align the interests of employees and shareholders, and to recruit, retain and motivate employees at all levels within the Group. The current version of the SSE plc 2001 Sharesave Scheme was approved by shareholders on 21 July 2011. The existing SSE plc 2001 Sharesave Scheme will expire on 21 July 2021. The UK Sharesave includes minor changes to the existing SSE plc 2001 Sharesave Scheme in order to refresh the plan and to keep the plan in line with legislation and market practice. A summary of the principal provisions of the UK Sharesave is set out in **Appendix 2** of this Notice. The Company also intends to update the Scottish and Southern Energy plc Irish Sharesave Scheme in a manner consistent with the changes made to the UK Sharesave.

A copy of the new Sharesave Rules (UK) and Sharesave Rules (ROI) and a copy of the marked up documents to show all proposed changes will be available for inspection as set out in Note 13 on [page 16](#) of this Notice.

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS CONTINUED

Resolution 19: Net Zero Transition report

SSE believes that both the Company and its shareholders will benefit from enhanced engagement on climate-related issues. Having worked closely with the investor group Climate Action 100+, SSE is therefore proposing an enabling resolution to its AGM 2021 that will establish a framework for annual votes on its Net Zero Transition report at future AGMs.

It is intended that the Net Zero Transition report contemplated by the proposed resolution will include the following information, with the scope to be updated and revised from time to time in accordance with any mandatory requirements and best practice.*

- (a) the measures the Company uses to evaluate the consistency of its economic activity with the Net Zero Transition plan;
- (b) the measures the Company uses to align its public policy engagement and external communications with the Net Zero Transition plan;
- (c) information regarding the governance of the Net Zero Transition plan and any link between the Company's targets and executive remuneration;
- (d) how the Company has evaluated and mitigated the impact of the net zero transition on the Company's employees, communities in which it operates and other stakeholders in the context of a just transition to being a net zero business;
- (e) confirmation of the extent to which the Company's overall climate risk reporting is consistent with the Final Recommendations of the Task Force on Climate-related Financial Disclosures;
- (f) any applicable updates to the frameworks, relevant methodologies, timescales for goals and targets and core assumptions used in relation to the Net Zero Transition plan; and
- (g) the Company's progress on the implementation of matters the subject of the reporting requirements set out in paragraphs (a) to (g), above.

By consulting shareholders annually on its Net Zero Transition report SSE's objective is that both the Company and its shareholders benefit from enhanced climate-related engagement.

Given that shareholders may have multiple motives when voting on such a matter, the Company wishes to clarify that if there is a significant vote against, it would hold discussions with shareholders through its Investor Relations and Environmental, Social and Governance (ESG) engagement programme and seek information from them about why they did not support the proposed resolution, inform all shareholders about the results of that process and announce its intended measures aimed at taking them into account.

* Omitting commercially confidential or competitively sensitive information, and at reasonable cost.

Resolution 20: Disapplication of pre-emption rights

The Companies Act 2006 provides that if the Directors wish to allot New Shares or other equity securities, or sell Treasury Shares, for cash (other than in connection with any employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings (a pre-emptive offer). This Special Resolution seeks shareholder's approval to allot a limited number of Ordinary Shares or other equity securities, or sell Treasury Shares, for cash without offering them to existing shareholders in proportion to their existing shareholding first. There may be occasions when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares without a pre-emptive offer to existing shareholders. The Directors have no present intention of exercising this authority in the year ending 31 March 2022. However, in any event, the Directors would seek to adhere to the current institutional shareholder guidelines not to allot more than 7.5% of the issued share capital, cumulatively, in any three-year rolling period without prior consultation with shareholders. Accordingly, the resolution seeks approval for the allotment of up to an aggregate nominal amount of £26,077,664 (representing 52,155,328 Ordinary Shares of 50 pence each), representing 5% of the issued share capital (excluding Treasury Shares) of the Company as at 25 May 2021. This limit also applies to shares issued from treasury.

Subject to shareholder approval, the authority under this Resolution will expire at the earlier of the conclusion of the AGM 2022 and close of business on 30 September 2022. A renewal of this authority will be proposed at each subsequent AGM.

Resolution 21: Purchase of own shares

In some circumstances, the Company may find it advantageous to have the authority to purchase its own shares in the market. The Directors believe that it is an important part of the financial management of the Company to have the flexibility to repurchase issued shares in order to manage its capital base. This Special Resolution renews the authority that was given at last year's AGM, authorising the Company to purchase its own Ordinary Shares in the market and will if approved, renew the Company's authority from shareholders to make such purchases until the earlier of the conclusion of the AGM 2022 and close of business on 30 September 2022. This resolution complies with investor guidelines, which limit share purchases to 10% of the issued share capital (excluding Treasury Shares) per annum.

The Company will seek to purchase shares where the Directors believe this would be in the best interests of shareholders generally, for example, to manage any excess share dilution created by take-up of the Scrip Dividend option that is above the level required to maintain appropriate balance sheet strength. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment and financing opportunities, appropriate gearing levels and the overall financial position of the Company. Any shares purchased in this way will either be cancelled (and the number of shares in issue reduced accordingly) or held in treasury. Shares held in treasury may subsequently be sold for cash (within the limit of the shareholder pre-emption disapplication contained in Resolution 20), cancelled, or used for the purposes of employee share schemes, either immediately or at some point in the future. Treasury Shares transferred for the purposes of the Company's employee share schemes will count towards the limits in those schemes on the number of New Shares which may be issued.

The Resolution specifies the maximum number of shares which may be acquired (10% of the Company's issued share capital as at 25 May 2021 and minimum and maximum prices at which they may be bought. As at 25 May 2021, options were outstanding over 6m Ordinary Shares, representing approximately 0.58% of the issued share capital (excluding Treasury Shares). If the proposed market purchase authority were used in full, shares over which these options were outstanding would represent approximately 0.64% of the adjusted share capital (excluding Treasury Shares) on that date.

Resolution 22: Notice period for general meetings

Resolution 22 will be proposed as a Special Resolution and would allow the Company to hold general meetings (other than Annual General Meetings) on 14 days' notice. Annual General Meetings must always be called with at least 21 days' notice but other general meetings of the Company may be called on less notice if shareholders agree to a shorter period. At the AGM 2020, a resolution was passed which allowed the Company to hold general meetings (other than Annual General Meetings) on 14 days' notice. The Board is proposing a similar resolution to renew the authority granted last year. The approval will be effective until the AGM 2022, when it is intended that the approval will be renewed.

This shorter notice period would not be used as a matter of routine. Instead, the Board will consider on a case by case basis whether the flexibility offered by the shorter notice period would be in the best interests of shareholders generally, taking into account the circumstances and business of the meeting.

Resolution 23: Articles of Association

This special resolution proposes the adoption of new Articles of Association of the Company (the 'New Articles'). In adopting the New Articles, the opportunity has been taken to update the Company's existing Articles of Association (the 'Existing Articles') to reflect changes to the Companies Act 2006 and the UK Corporate Governance Code requirements and developments in market and industry practice since the Existing Articles were adopted on 22 July 2010, to provide additional flexibility and to clarify certain aspects of the operation of the Existing Articles. The substantive changes being proposed in the New Articles are summarised in **Appendix 4**. A range of minor and technical amendments have also been made to the Existing Articles to modernise the language and provide clarity. The New Articles will become effective on the Resolution being passed.

A copy of the New Articles and a copy of the Existing Articles marked up to show all proposed changes will be available for inspection as set out in Note 13 on [page 16](#) of this Notice. All clause references in **Appendix 4** relate to clause references in the New Articles.

BOARD OF DIRECTORS

Key	Chair	Executive Directors
Committee membership  NC Nomination Committee  AC Audit Committee  ER Energy Markets Risk Committee  SHE Safety, Health and Environment Advisory Committee  RC Remuneration Committee  Committee Chair		
Board departures	Sir John Manzoni Chair  NC  ER  SHE  RC	Alistair Phillips-Davies Chief Executive
Two Board departures were announced in 2020/21. <ul style="list-style-type: none">Richard Gillingwater stepped down from the Board and role of Chair on 31 March 2021.Crawford Gillies stepped down as non-Executive Director and Senior Independent Director on 30 September 2020.	Date of appointment Non-Executive Director since September 2020 and Chair from April 2021	Date of appointment Executive Director since January 2002 and Chief Executive from July 2013
External appointments	Board tenure as at 25 May 2021 Under 1 year	Board tenure as at 25 May 2021 19 years
The Board considered and approved the additional external commitments taken on by Sir John Manzoni and Dame Angela Strank during the period. In each case, it was agreed that there would be no impact on the time commitment required as Chair and non-Executive Director, nor on the independence and objectivity required to discharge the agreed responsibilities of each role. The resultant position is believed to be consistent with recognised proxy advisor guidelines.	Career and experience <p>Sir John has wide-ranging experience across the energy industry and both the private and public sectors. Through an executive career at BP which spanned 24 years, he held a number of senior roles including Chief Executive, Refining and Marketing in which he was a Main Board member. This was followed by President and Chief Executive Officer at Talisman Energy Inc before a move to UK Government where he spent six years as Chief Executive of the Civil Service and Permanent Secretary of the Cabinet Office. He has previously been a non-Executive Director of SABMiller plc and Chair of Leyshon Energy Limited.</p> Skills and attributes which support strategy and long-term success <ul style="list-style-type: none">Dynamic and engaging leadership style with diverse perspectives gained across multiple sectors, organisational settings and geographies, which complement the responsibilities of SSE Chair.Experienced in the governance of large scale business operations, leading reform and the management of complex projects to drive commercial performance, skills key to the fulfilment of SSE's vision and purpose.Strong communicator with insight into the management and development of stakeholder relations aligned with SSE's approach to decision-making.Working knowledge of energy regulation, government and policy considerations which underpin the success of a net zero transition.	Career and experience <p>Alistair joined SSE in 1997 and possesses extensive knowledge of the Group having held senior roles across multiple business areas. Prior to joining the Board in 2002 as Energy Supply Director, Alistair was Director of Corporate Finance and Business Development. In 2010, he became Generation and Supply Director, before Deputy Chief Executive in 2012, then Chief Executive in 2013. Alistair is a fellow of the Energy Institute and a former Vice President of Eurelectric. He is a Chartered Accountant.</p> Skills and attributes which support strategy and long-term success <ul style="list-style-type: none">Sound executive leadership and a considered approach to strategy which is evidenced through continued delivery under the Group operating model, and the development of SSE's sustainability plans and associated targets.Broad knowledge of the energy markets in Great Britain and Ireland and across Europe, which informs views of long-term direction.Detailed understanding of the external context including the climate transition, politics and regulation enabling constructive engagement in these areas.Proactive approach to understanding stakeholder priorities including the impact of the coronavirus pandemic and SSE's response.Focused on people development, culture and digital enablement in order to develop capabilities for future growth.
	Key external appointments and changes <ul style="list-style-type: none">Non-Executive Director of DiageoChair Designate of the Atomic Weapons Establishment (Chair appointment due to commence in July 2021)	Key external appointments and changes <ul style="list-style-type: none">Member of Scottish Energy Advisory BoardMember of the UK Government's Hydrogen Advisory Council (commenced in December 2020)Member of the COP26 Business Leaders group (commenced in September 2020)



Gregor Alexander

Finance Director



Date of appointment

Executive Director and Finance Director since October 2002

Board tenure as at 25 May 2021

18 years

Career and experience

Gregor joined SSE in 1990 and has been Finance Director on the Board since 2002. Prior to Finance Director, Gregor worked in senior finance roles and led specialist teams including as Group Treasurer and Tax Manager. Gregor is Chair of the Scottish and Southern Energy Power Distribution Board and a Director of Scotia Gas Networks Limited. He is a Chartered Accountant and member of the Accounting for Sustainability (A4S) CFO Leadership Network.



Martin Pibworth

Group Energy and Commercial Director



Date of appointment

Executive Director since September 2017 and Group Energy and Commercial Director from November 2020

Board tenure as at 25 May 2021

3 years

Career and experience

Martin joined SSE in 1998 as an energy trader, which was followed by a series of commercial roles before becoming Managing Director, Energy Portfolio Management, and a member of SSE's then Management Board, in 2012. In 2014, he was appointed Managing Director, Wholesale, and a member of SSE's Group Executive Committee. In 2017 he joined the Board as Group Energy Director, a role which was expanded to Group Energy and Commercial Director in November 2020.

Independent non-Executive Directors



Tony Cocker

Senior Independent Director



Date of appointment

Non-Executive Director since May 2018 and Senior Independent Director from October 2020

Board tenure as at 25 May 2021

3 years

Career and experience

Tony possesses highly detailed knowledge of the energy sector through a 20 year career with E.ON. Latterly, he held the position of CEO and Chair of E.ON UK plc, which comprised the Company's main businesses in the UK, including the supply of energy to households, businesses and communities, digital transformation programmes and the smart meter roll-out. Previous roles include CEO of E.ON Energy Trading SE and Managing Director of E.ON UK Energy Wholesale. He has served on the Board of Energy UK.

Skills and attributes which support strategy and long-term success

- Extensive knowledge of financial markets and leader of SSE's financial strategy, including the approach to sustainable financing and emerging practice in this area.
- Experienced in directing significant corporate projects and major transactions, including SSE's approach to investments, divestments and partnering.
- Oversees appropriate governance in the management of the Group risk environment including those emerging from the evolving energy sector and the transition to net zero.
- Deep appreciation of shareholder views and related ESG matters including the continued commitment to lead on Fair Tax and the Living Wage as part of SSE's 2030 Goals.
- Practical regulatory insight and Board oversight of SSE's networks businesses.

Skills and attributes which support strategy and long-term success

- Literacy in complex energy markets which is supported by technical and operational expertise.
- End-to-end experience in large capital projects including joint venture engagement and governance, which has been applied in the development of SSE's diverse and flexible generation portfolio, including the renewables pipeline.
- Commercially minded in seeking future growth within SSE's market-based businesses, and has overseen key capital recycling opportunities and transactions to refine SSE's core and complementary business areas and secure optimum value from investments.
- Understanding of change management and sources of commercial risk having led on SSE's Brexit transition arrangements, and the impact of coronavirus on energy markets.

Skills and attributes which support strategy and long-term success

- Wide-ranging insight regarding technical and operational matters, including energy infrastructure and assets, commodity markets, energy trading and risk.
- Combined industry and non-Executive experience enhances Board understanding of trends relevant to SSE's operations and of utilities regulation.
- A balanced sounding board with additive experience in strategic consultancy and energy and utility stakeholder management.

Key external appointments and changes

- Non-Executive Director of Stagecoach Group plc
- Stepped down as Chair of Scotia Gas Networks Limited in February 2021 where he remains a Director

Key external appointments and changes

- Member of Energy UK Board

Key external appointments and changes

- Chair of Infinis Energy Management Limited
- Deputy Chair and Governor of Warwick Independent Schools Foundation
- Stepped down as Chair of Affinity Water Limited in January 2021

BOARD OF DIRECTORS CONTINUED

Independent non-Executive Directors



Dame Sue Bruce DBE

Non-Executive Director of the Board and for Employee Engagement



Date of appointment

Non-Executive Director since September 2013

Board tenure as at 25 May 2021

7 years

Career and experience

Dame Sue has extensive public sector experience from a career which spanned almost 40 years, holding a variety of roles in local government. These included the positions of Chief Executive at East Dunbartonshire Council and the first female Chief Executive of both Aberdeen City Council and the City of Edinburgh Council. Sue has also held a number of Board and Board Committee positions in organisations across the arts, education and charitable sectors.



Peter Lynas

Non-Executive Director



Date of appointment

Non-Executive Director since July 2014

Board tenure as at 25 May 2021

6 years

Career and experience

Peter has over 30 years of business experience spanning all areas of finance. He retired from the role of Group Finance Director of BAE Systems plc in March 2020, prior to which he was Director, Financial Control, Reporting and Treasury. His early career involved roles within GEC Marconi, where he was appointed Finance Director of Marconi Electronic Systems before the completion of the British Aerospace/Marconi merger. He is a Fellow of the Chartered Association of Certified Accountants.



Helen Mahy CBE

Non-Executive Director



Date of appointment

Non-Executive Director since March 2016

Board tenure as at 25 May 2021

5 years

Career and experience

Helen is a former Company Secretary and General Counsel of National Grid plc and an experienced non-Executive Director. Previous non-Executive roles include directorships at Bonheur ASA, Aga Rangemaster plc, Stagecoach Group plc, SVG Capital plc, Chair of MedicX Fund Limited and Deputy Chair and Senior Independent Director of Primary Health Properties PLC. Helen is a member of the Parker Review steering committee into the Ethnic Diversity of UK Boards, a patron of the charity Social Mobility Business Partnership, Co-chair of the Employers Social Mobility Alliance and an Equality and Human Rights Commissioner.

Skills and attributes which support strategy and long-term success

- Strategic and operational experience of leading organisations covering large numbers of employees, significant assets, economic development, construction projects and engaging with communities, which provides insight into SSE's approach to its social contract.
- Distinguished in stakeholder engagement with a highly personable style as is evident in the roles of Remuneration Committee Chair and Non-Executive Director for Employee Engagement.
- Expert knowledge of Scottish government and understanding of political affairs.

Skills and attributes which support strategy and long-term success

- Brings recent and relevant financial experience to the Board and strong direction to the Audit Committee, as Chair of which, he drives focus on the risk and control environment including Group resilience and the compliance culture.
- International business perspective and an applied understanding of long-term project management and delivery, including investment appraisal, contracting and supply chain experience.
- Up-to-date investor relations experience through his executive career at BAE and pensions insight having been Chair of the trustee Board of a major UK scheme.

Skills and attributes which support strategy and long-term success

- Long-standing energy and regulatory experience underpinned by a comprehensive understanding of the listed company context including the applicable legal, compliance, governance and risk frameworks in which SSE's businesses operate.
- Insight into a broad range of investor and stakeholder perspectives and trends from cross-sectoral, international and external Board interests that enable wider discussion and debate.
- An advocate of SSE's safety culture, inclusion and diversity and employee wellbeing with extensive knowledge of people matters and a focus on sustainability.

Key external appointments and changes

- Convenor of Court of the University of Strathclyde
- Chair of the Royal Scottish National Orchestra
- Electoral Commissioner, the Electoral Commission
- Independent Chair of Nominations Committee, the National Trust for Scotland
- Trustee of the Prince's Foundation

Key external appointments and changes

- No key external appointments

Key external appointments and changes

- Chair of The Renewables Infrastructure Group Limited
- Stepped down as Non-Executive Director of Bonheur ASA in July 2020



Melanie Smith CBE

Non-Executive Director



Date of appointment

Non-Executive Director since January 2019

Board tenure as at 25 May 2021

2 years

Career and experience

Melanie has over 20 years of in-depth strategy experience and is currently CEO of Ocado Retail, the world's largest pureplay online grocer and the UK's fastest growing grocer. Prior to this she was Strategy Director for Marks & Spencer with responsibility for group strategy, M&S Bank and M&S Services. Earlier roles include Global Strategy and Marketing Director at Bupa, Chief Operating Officer at TalkTalk and a Partner in McKinsey's Consumer practice.



Dame Angela Strank DBE

Non-Executive Director



Date of appointment

Non-Executive Director since May 2020

Board tenure as at 25 May 2021

1 year

Career and experience

Dame Angela has a depth of executive experience through a long-standing international career at BP. Prior to retirement in December 2020, she was a member of BP's Executive Management team as BP Group Chief Scientist and Head of Downstream Technology. This followed business and technical leadership positions spanning technology and digital, innovation, engineering and renewable energy. Angela is a Fellow of the Institute of Chemical Engineers, the Royal Academy of Engineers, the Royal Society and the UK Energy Institute. She was awarded a DBE for longstanding services to the energy industry and pioneering STEM careers, especially for women.

Company Secretary



Sally Fairbairn

Company Secretary and Director of Investor Relations

Date of appointment

Company Secretary and Director of Investor Relations since December 2014

Career and experience

Sally joined SSE in 1997 as a chartered accountant working in the Corporate Finance team. Through this role which included responsibility for long-term financial modelling of the SSE Group, she developed knowledge of the Group's diverse operations and the UK energy industry. In 2007 Sally became Director of Investor Relations and Analysis, allowing her to develop extensive experience of the shareholder and financial analyst community, and through associated engagement has a detailed understanding of investor views. Sally was appointed to the joint role of Company Secretary and Director of Investor Relations in December 2014.

Skills and attributes which support strategy and long-term success

- Highly qualified to appraise strategy development and execution having advised and led both growth and performance transformation in the consumer and retail sectors worldwide.
- Deep commercial and digital experience across multiple goods and services categories, including insurance, telco and energy that furthers Board understanding of the customer.
- Has a people centric style as an executive and organisational leader and brings knowledge of operational efficiency and change management.

Skills and attributes which support strategy and long-term success

- Expert understanding of the current and future role of technology and science within the broader energy industry including the impact of disruptive trends and resultant transformation.
- Knowledge of leading and collaborating on a large scale and with international outlook having worked in the Middle East, Europe, the Far East, Africa and America.
- Corporate social responsibility and sustainability experience through active involvement in climate science research, embracing the energy transition, reputation and safety management, pioneering women in STEM careers and as a champion of inclusion and diversity.

Key external appointments and changes

- CEO, Ocado Retail Limited
- Advisory Board member of Manaiia
- Trustee of Sadlers Wells

Key external appointments and changes

- Non-Executive Director of Severn Trent plc
- Non-Executive Director of Rolls Royce plc
- Non-Executive Director of Mondi plc (commenced in April 2021)

IMPORTANT NOTES

The following notes explain your general rights as a shareholder and your right to attend and vote at the meeting or to appoint someone else to vote on your behalf.

1. Issued share capital and total voting rights

As at 25 May 2021 (being the last practicable day prior to the printing of this Notice) the issued share capital of the Company consisted of 1,049,144,208 Ordinary Shares, with a nominal value of 50 pence each and carrying one vote each. This figure includes 6,037,617 Ordinary Shares which are held in treasury. The voting rights on Treasury Shares are automatically suspended. Therefore, the total number of voting rights in the Company was 1,043,106,591 as at 25 May 2021.

2. Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, and section 360B(2) of the Companies Act 2006, the Company specifies that only shareholders registered in the Register of Members of the Company at 12.30pm on 20 July 2021 or, in the event that the AGM is adjourned, registered in the Register of Members of the Company 48 hours before the time of the adjourned meeting(s), shall be entitled to vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Save in relation to any adjourned meeting(s), changes to entries on the Register of Members of the Company after 12.30pm on 20 July 2021 shall be disregarded in determining the rights of any person to vote at the AGM.

3. Voting at the AGM

Voting on each of the resolutions to be put to the AGM will be taken on a poll, rather than a show of hands, to reflect the number of shares held by a shareholder, whether or not the shareholder is able to attend the meeting. As soon as practicable following the AGM, the results of the voting will be announced through Regulatory News Service and also placed on the Company's website sse.com. In light of the impact of coronavirus, the Board seeks to safeguard the health and wellbeing of the Company's shareholders and employees, therefore the Board strongly recommends that shareholders do not attend the AGM in person, but instead make use of the electronic facilities on offer to join remotely.

4. Proxies

A shareholder entitled to routinely attend, speak and vote at the AGM may appoint one or more proxies to attend, speak and vote at the AGM on their behalf provided that (if more than one) each proxy is appointed to exercise the rights attached to different shares held by the shareholder. A proxy need not be a shareholder of the Company. In the case of joint shareholders, the vote of the first named in the Register of Members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. Given the uncertainty around whether shareholders or third parties will be able to attend the AGM, whether because the capacity at the venue does not allow for safety reasons or due to a change in the situation with the pandemic, it is recommended that all shareholders appoint the Chair of the meeting as their proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you and your proxy are unable to attend in person. Appointing a proxy will not prevent you from attending the AGM and voting on the day – please follow the pre-registration instructions noted on [page 2](#) of this Notice if you plan to attend the AGM in person.

5. Appointment of proxy using the hard-copy Form of Proxy

A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice for shareholders who have elected to receive a hard copy of the Annual Report.

To be valid, the appointment of a proxy, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Registrar, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 12.30pm on 20 July 2021 (or, if the meeting is adjourned, 48 hours before the time fixed for holding the adjourned meeting). If you appoint more than one proxy, additional Form(s) of Proxy can be obtained by contacting Link Group on 0345 143 4005. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. We are open between 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

6. Electronic appointment of proxy

You can appoint a proxy electronically by accessing sse.com. You will be asked to enter your Investor Code (IVC) printed on the Form of Proxy. Your IVC can be also be found on your share certificate, or SSE Shareholder Portal users (www.sse-shares.com) will find this under 'Manage your account' when logged in to the SSE Shareholder Portal. You can also obtain this by contacting Link, our Registrar, by calling +44 (0) 345 143 4005* and agree to certain terms and conditions. On submission of your vote you will be issued with a reference number. For an electronic proxy appointment to be valid, it must be received by the Registrar no later than 12.30pm on 20 July 2021. Should you complete your Form of Proxy electronically and then post a hard copy, the form that arrives last will be counted to the exclusion of instructions received earlier, whether electronic or postal. Please refer to the terms and conditions of the service on the website.

7. Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST).

The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12.30pm on 20 July 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Therefore, normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider), to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Proxymity. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.30pm on 20 July 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern electronic appointment of your proxy.

8. Corporate representatives

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that, if there is more than one corporate representative, they do not do so in relation to the same shares.

9. Nominated persons

Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement with the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may under such an agreement, have a right to give instructions to the shareholders as to the exercise of voting rights. The statement of the rights of shareholders in relation to appointment of proxies in Note 4 on [page 14](#) of this Notice does not apply to Nominated Persons. The rights described therein can only be exercised by shareholders of the Company.

10. Right to ask questions

Any shareholder or appointed proxy/proxies has the right to ask questions. The Board is committed to engaging with shareholders and maintaining an ongoing dialogue. Shareholders can ask a question:

Ahead of the AGM

In addition to asking questions in person at the AGM, any shareholder who wishes to raise a question in connection with the business to be conducted at the AGM can do so by emailing it to AGMQuestion@sse.com. A window for submission will open on Monday 28 June 2021 at 9.00am and close on Friday 2 July 2021 at 5.00pm. The Company will publish responses to the matters raised by shareholders on the business of the meeting on sse.com no later than 5.00pm on 14 July 2021. We hope this will provide shareholders with an opportunity to consider the SSE Annual Report 2021, which is published on sse.com on 18 June 2021, and receive responses to their questions before submitting their proxy votes.

At the AGM

There are three ways in which shareholders can ask questions at the AGM itself. This can be done online through a chatbox function, by telephone, or in person (if attending the meeting). More details on how to join the AGM online and ask a question can be found in [Appendix 1](#). Please note the AGM will be recorded and broadcast live. Our privacy notice can be found on sse.com.

The Board will endeavour to answer all the questions in connection with the business of the AGM raised at the meeting. Q&A transcripts of the questions asked at the AGM will be made available on the Company's website. The Company may consolidate questions of a similar nature submitted ahead or at the AGM to avoid unnecessary duplication.

The Company must cause to answer any such question relating to the business being dealt with at the AGM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

11. Publication of audit concerns on the Company's website

Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the Annual Report and Accounts were laid in accordance with section 437 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

12. Information available on the Company's website

Copies of the Notice of Annual General Meeting 2021, the Annual Report 2021 and other information required by section 311A of the Companies Act 2006 can be found at sse.com.

IMPORTANT NOTES CONTINUED

13. Documents available for inspection

Copies of: Directors' service contracts; non-Executive Directors' letters of appointment; the new Sharesave Rules (UK) and Sharesave Rules (ROI) including proposed changes; and the New Articles and the Existing Articles including proposed changes, will be available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Notice until the date of the AGM and thereafter at the place of the AGM from 11.45am until the conclusion of the AGM.

In order to safeguard the health and wellbeing of the Company's shareholders and employees, inspection of these documents at the Company's registered office will be by appointment only. This is a temporary measure employed by the Company given the coronavirus pandemic and to ensure any prevailing restrictions and guidance can be followed. Appointments can be arranged by emailing AGMQuestion@sse.com. Documents available for inspection can also be accessed through an electronic facility on the day of the AGM for those joining via the webcast provision.

The full terms of the proposed amendments to the Company's Articles of Association and to the Sharesave Rules (UK) and Sharesave Rules (ROI) will be also be available for inspection during normal business hours on any weekday (public holidays excepted) at the offices of Freshfields Bruckhaus Deringer LLP at 100 Bishopsgate, London EC2P 2SR, subject to health and safety requirements and any limits on gatherings, social distancing or other measures imposed or recommended by the UK Government, from the date of sending this Notice until the close of the AGM.

14. Communication with the Company

You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

15. Shareholder communication preference

Shareholders who wish to change their communication preference can do so by contacting the Company's Share Registrar: Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Contact details are also available on the SSE website. An e-Communications Form and other useful forms can also be accessed on sse.com under, Shareholder services.

16. GDPR statement

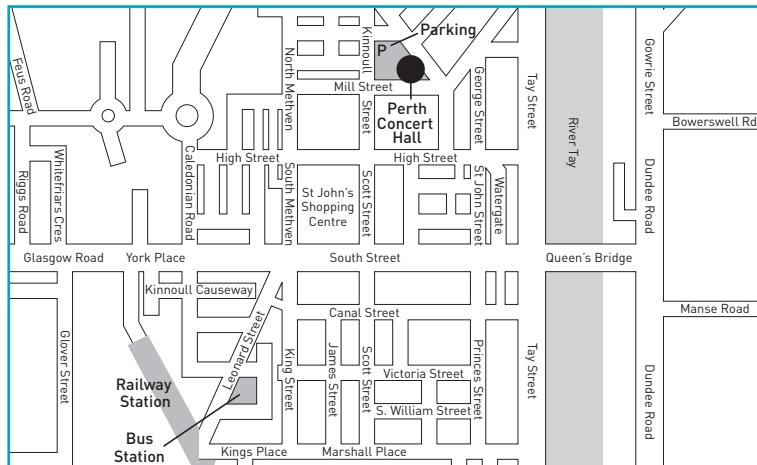
The Company may process personal data of participants at the AGM. This may include webcasts, photos, recordings, and audio and video links, as well as other forms of personal data. Please refer to the Company's privacy notice which can be found at sse.com for details of how the Company will process personal data.

17. Virtual shareholder engagement

Shareholders and their duly appointed representatives and/or proxies are invited to join the AGM remotely via live webcast which can be accessed by logging on to <https://web.lumiagm.com> (the Lumi website will open 30 minutes before the scheduled time of the AGM). This will allow shareholders to watch the AGM and ask questions in real time. A user guide can be found in **Appendix 1** in respect of the electronic elements of the AGM, including instructions on how to join the meeting and ask questions on the day along with the relevant contact details if you encounter any issues. **A shareholder joining the AGM by means of electronic facility is responsible for ensuring they have access to and can use the facility.** Appendix 1 also includes instructions on how to appoint proxies and corporate representatives to join on a shareholder's behalf.

Location map

Perth Concert Hall, Mill Street, Perth PH1 5HZ is situated close to the River Tay and is within walking distance of both the Railway Station and Bus Station. • If travelling by car, follow signs for the city centre. There is a car park at the rear of the Concert Hall. This is accessed from Kinnoull Street. This 550-space multi-storey car park is open from 7am-midnight Monday to Saturday, and charges are made for parking. • A Park+Ride facility for 250 vehicles is available at the Broxden roundabout. This is situated at the junction of the M90/A9 bypass with the A9 Stirling Road. • A second Park+Ride operates from a car park adjacent to the A94 at the north end of Scone.



APPENDICES

Appendix 1: User guide to join live webcast

SSE Shareholder Guide

Meeting ID: 116-097-445

Meeting Access



Shareholders can join the AGM remotely should they wish to do so. This can be done by accessing the meeting website: <https://web.lumiagm.com>

This can be accessed online using most well-known internet browsers such as Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone.

On accessing the meeting website, you will be asked to enter the Meeting ID above. You will then be prompted to enter your unique 11 digit Investor Code (IVC) including any leading zeros, and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.

Your IVC can be found on your share certificate, or SSE Shareholder Portal users (www.sse-shares.com) will find this under 'Manage your account' when logged in to the SSE Shareholder portal.

You can also obtain this by contacting Link, our Registrar, by calling +44 (0) 345 143 4005*. It will also have been set out on your Form of Proxy if you elect to receive full paper communications, or your letter or email notifying of the availability of the Annual Report 2021 and Notice of Annual General Meeting 2021.

Access to the meeting will be available 30 minutes prior to the start time on 22nd July 2021.

Broadcast



The meeting will be broadcast in video format. Once logged in, and at the commencement of the meeting, you will be able to view and listen to the proceedings of the meeting on your device.

Questions



Questions on the day can be submitted either as text via the Lumi messaging function (see details below) or verbally via the teleconference facility.

Shareholders joining remotely may ask questions by typing and submitting their question(s) in writing via the Lumi messaging function. Select the messaging icon from within the navigation bar and type your question(s) at the bottom of the screen. To submit your question(s), click on the arrow icon to the right of the text box.

Details of how to access the teleconference facility will be provided on the day of the annual general meeting, once you are logged into the Lumi platform.

APPENDICES CONTINUED

Requirements

Duly appointed proxies and corporate representatives

An active internet connection is required at all times in order to allow you to submit questions, view and listen to the webcast. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

If you wish to appoint a proxy other than the Chair of the meeting and for them to join the meeting remotely on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 345 143 4005* in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the meeting.

If your shares are held within a nominee and you wish to attend the electronic meeting, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group, our registrar, as soon as possible and at least 72 hours (excluding non-business days) before the meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend the electronic meeting.

- * Lines are open from 9.00am to 5.30pm Monday to Friday, calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

Appendix 2: Summary of the Principal Provisions of the SSE plc 2001 Sharesave Scheme (the "UK Sharesave")

The UK Sharesave is a share option plan designed to be a tax favoured SAYE option scheme which complies with Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA"). It allows the Company to grant options to employees based in the UK to acquire shares in the Company on a tax-favoured basis. The UK Sharesave shall be administered by the Board or a committee of the Board. The Board may determine that the trustee (the "Trustee") of an employee benefit trust will administer and grant relevant options under the UK Sharesave.

Eligibility

All UK tax-resident persons are eligible to participate in the UK Sharesave and if the UK Sharesave is operated in any year, all such persons must be invited to participate where they:

- (i) are directors or employees of the Company or any subsidiaries designated by the Board as participating companies;
- (ii) have a qualifying period of continuous service (if any) as the Board determines (not exceeding a period of 5 years before grant); and
- (iii) in the case of directors, are required to work for the Company and/or any participating companies for not less than 25 hours a week.

Other non-UK taxpayers who are employees (or directors where they work for more than 25 hours a week) of participating companies may be nominated by the Board to participate.

Options under the UK Sharesave

Options granted under the UK Sharesave will be granted with an exercise price per share not less than 80 percent of the market value of a share on the dealing day immediately preceding the date of invitation or the average market value of a share over the three dealing days immediately preceding the date of invitation. It is a condition of participation in the UK Sharesave that the participant enters into a savings contract of either 3 years' duration and/or 5 years' duration, as determined by the Board.

Timing of Invitations

Invitations to apply for options may normally only be issued within 42 days starting on any of the following:

- (i) the day the UK Sharesave is approved by the Company's shareholders in general meeting;
- (ii) the dealing day following the announcement of the Company's results for any period;
- (iii) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Options;
- (iv) any day on which a change to the legislation affecting ITEPA Sharesave Option Schemes is proposed or made; and
- (v) any day on which a new savings contract prospectus is announced or takes effect.

No invitations to apply for options may be issued more than 10 years after shareholder approval of the UK Sharesave.

Employees will indicate how much they wish to save under their savings contract as part of their application. The minimum and maximum amounts an employee may save are set out in the rules of the plan. The current minimum monthly saving is £5 and the maximum is £500 unless the Board determines that different minimum and maximum limits will apply, subject to the restrictions in ITEPA.

The Board, or the Trustees with the prior written approval of the Board, may set a maximum aggregate number of shares available for an invitation. If the Board receives valid applications in excess of this, applications will be scaled down.

Grant of Options

The Company must grant options within 30 days of the first date used in the calculation of the market value of the Company's shares when setting the option price (or within 42 days if applications are scaled down). Options can only be granted to employees who continue to be eligible on the date of grant.

The number of shares subject to an option is the number that, at the relevant exercise price per share, may be acquired by applying the expected proceeds of the savings contract (including any interest or bonus).

Options may not be transferred, except on death.

Exercise of Options

Options will normally only be exercisable during the 6-month period following maturity of the savings contract (known as the "bonus date").

Options may only be exercised to the extent of the savings under the savings contract. Options may be exercised in whole or part but may only be exercised on one occasion.

Options may be satisfied using newly issued shares, Treasury Shares or shares purchased in the market.

Leavers

If a participant ceases to be employed within the Company's group, the participant's option will normally lapse. However, if a participant leaves due to retirement, injury, disability, redundancy, a TUPE transfer, the business or part of a business in which the participant works being transferred out of the Company's group, or the participant's employing company ceasing to be an associated company by reason of a change of control, the participant may exercise the option within 6 months of leaving to the extent of their savings at that time.

Where a participant dies, the participant's option may be exercised within 12 months following death (if death occurred before the bonus date), or within 12 months after the bonus date (if death occurred within 6 months of the bonus date).

APPENDICES CONTINUED

Company Events

On a takeover, scheme of arrangement, merger or certain other corporate reorganisations, options can generally be exercised early to the extent of the savings made at that time. Alternatively, participants may be permitted to exchange their options for equivalent options over shares in the acquiring company.

Dilution Limits

Commitments to issue and allot New Shares may not exceed 10 percent of the ordinary share capital of the Company in issue immediately before that day when added to the total number of ordinary shares which have been allocated in the previous 10 years under the UK Sharesave and any other employee share plan operated by any member of the Company's group. This limit does not include rights to shares which have lapsed, been released or otherwise become incapable of exercise. The limit includes any shares transferred out of treasury but only for as long as required by applicable institutional investor guidelines.

Variation of Share Capital

In the event of a variation in the share capital of the Company, the Board may adjust the number of shares under option and/or the exercise price in such manner as the Board determines.

Any variation must ensure that the value of the shares under option and the aggregate exercise price of the option are substantially the same immediately before and after the adjustment. Where the option is to subscribe for New Shares in the Company, the option price may not be less than the nominal value of a share.

Amendments

The Board may amend the UK Sharesave at any time but no change may be made to a "key feature" of the plan, being a feature that is required for the UK Sharesave to satisfy the requirements of ITEPA. If there are subsisting options which have been granted by the Trustees, the Board must have the prior consent of the Trustees to make amendments. The prior approval of the Company's shareholders by ordinary resolution in general meeting will be required for any proposed change that is to the advantage of present or future participants and which relates to eligibility, participation or share limits, the basis for deciding a participant's entitlement under the UK Sharesave in certain circumstances and the terms on adjustments on a variation of share capital.

Shareholder approval is not needed for minor changes to benefit the administration of the UK Sharesave, to comply with or take account of a change in legislation, and/or to maintain its status as a scheme compliant with ITEPA, and/or to obtain or maintain favourable tax, exchange control or regulatory treatment for any member of the Company's group or any present or future participant.

Irish Sharesave Scheme

Pursuant to the power to amend or add to the provisions of the UK Sharesave in order to take account of relevant overseas tax legislation, the Board previously established a set of terms governing options granted to participants in Ireland, known as the Scottish and Southern Energy plc Irish Sharesave Scheme (the "Irish Sharesave"). The terms of options granted under the Irish Sharesave are no more favourable than those granted under the UK Sharesave and the Directors propose to adopt an updated Irish Sharesave that shall operate in a manner consistent with, and which is no more favourable than, the UK Sharesave (save where required by applicable law).

Appendix 3: Terms and Conditions of the SSE plc Scrip Dividend Scheme

This document is important. If you are in any doubt as to the action you should take, you should seek your own advice from an independent professional adviser.

1. What is The SSE plc Scrip Dividend Scheme?

The SSE plc Scrip Dividend Scheme (the Scrip Dividend Scheme) is a scheme designed to enable shareholders of SSE plc to receive New Shares instead of cash dividends. This enables shareholders to increase their shareholdings in SSE plc without incurring dealing costs or stamp duty.

Shareholder approval to offer the Scrip Dividend Scheme was first granted at the Company's Annual General Meeting (the AGM) on 22 July 2010. The renewal of the Scrip Dividend Scheme is subject to shareholder approval, which is being sought for a period of three years, after which the authority will need to be renewed.

Conditions to the Scrip Dividend Scheme

The allotment and issue of New Shares pursuant to the Scrip Dividend Scheme is, at all times, conditional upon:

- all authorities in respect thereof being in full force and effect, including the passing of any resolution of the Company required by law, regulations or the Company's Articles of Association; and
- the admission to the Official List of the United Kingdom Listing Authority and to trading on the Main Market of the London Stock Exchange of such New Shares.

If, for any reason, these conditions are not satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip Dividend Scheme in respect of any dividend, participants will receive cash (as opposed to New Shares) in respect of that dividend.

2. Who can join the Scrip Dividend Scheme?

All UK shareholders can join the Scrip Dividend Scheme. Overseas shareholders may be eligible to participate – please refer to Question 14.

3. How do I join the Scrip Dividend Scheme?

You can join the Scrip Dividend Scheme by completing a Scrip Dividend Mandate Form (which may be amended from time to time) and sending it to Link Group at the address given at Question 20. A Scrip Dividend Mandate Form may be obtained from the Company's website sse.com or upon request from Link Group.

Alternatively, you can join the Scrip Dividend Scheme online by completing the electronic equivalent of the Scrip Dividend Mandate Form via www.sse-shares.com.

Scrip Dividend Mandate Forms (hard copy and electronic) must be received by Link Group no later than 4.30pm on such date that is at least 20 business days before the dividend payment date for the relevant dividend to be eligible to receive New Shares instead of cash for that, and subsequent, dividends. Forms received after that time will be applied in time for the next dividend. Please note that no acknowledgement of receipt of Scrip Dividend Mandate Forms will be issued.

Scrip Dividend Mandate Forms, once completed, remain in force for all future dividends until cancelled in writing. For further details see Question 17.

Shareholders who hold their Ordinary Shares in CREST can only elect to receive dividends in the form of New Shares by use of the CREST Dividend Election Input Message. Any Scrip Dividend Mandate Forms or other forms of instruction received from CREST holders will not be accepted and ignored. For further details please refer to Question 4.

4. What if my Ordinary Shares are held in CREST?

If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), you can only elect to receive your dividend in the form of New Shares by means of the CREST procedure to effect such an election. No other method of election will be permitted under the Scrip Dividend Scheme and will be rejected. CREST shareholders, by effecting their elections by means of the CREST procedure, will be taken to have confirmed their election to participate in the Scrip Dividend Scheme and to have confirmed their acceptance of these terms and conditions, as amended from time to time.

If you are a CREST sponsored member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual.

The Dividend Election Input Message submitted must contain the number of shares on which the election is being made. If the relevant field is left blank or completed with zero, the election will be rejected. If you enter a number of shares greater than the holding in CREST on the relevant record date, the election will be applied to your total holding as at the relevant record date for the dividend. Evergreen elections will not be permitted. If you wish to receive New Shares instead of cash in respect of future dividends for which a scrip dividend alternative is offered, you must complete a Dividend Election Input Message on each occasion otherwise you will receive your dividend in cash. Elections via CREST should be received by CREST no later than 4.30pm on such date that is at least 20 business days before the dividend payment date for the relevant dividend in respect of which you wish to make an election.

Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST shareholder wishes to change their election, the previous election would have to be cancelled.

APPENDICES CONTINUED

5. How many New Shares will I receive under the Scrip Dividend Scheme?

Your entitlement to New Shares will be calculated by taking the amount of cash dividend to which you are entitled (plus any residual cash brought forward from a previous Scrip Dividend) and dividing it by the Scrip Reference Share Price. The Scrip Reference Share Price is the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date. Details of the Scrip Reference Share Price will be announced on the London Stock Exchange and posted on the Company's website sse.com.

The formula which will be used is as follows:

Number of Ordinary Shares held at relevant dividend record date
multiplied by
the cash dividend rate
added to
any fractional cash entitlement carried forward from last dividend
divided by
the Scrip Reference Share Price

See example below:

Example

Number of Ordinary Shares held	1000
Dividend paid per Ordinary Share	56.6p (£0.566)
Scrip Reference Share Price ¹	£15.50
Step 1 – calculate maximum cash available	
Cash dividend payable	
1000 x £0.566	£566
Step 2 – calculate number of New Shares to be issued	
Maximum cash available (Step 1) divided by the Scrip Reference Share Price: 566 ÷ 15.50	36.51 shares
Number of whole New Shares acquired	36 shares
Value of New Shares acquired (number of shares multiplied by the Scrip Reference Share Price): 36 x £15.50	£558
Step 3 – calculate residual cash balance carries forward	
Maximum cash available (Step 1) less value of New Shares (Step 2)	£8

Note

1 This Scrip Reference Share Price used in this example is for illustrative purposes only. The Scrip Reference Share Price will be calculated according to the Terms and Conditions of the Scrip Dividend Scheme.

6. What will happen with any Scrip Dividend Scheme cash balance?

No fraction of a New Share will be allotted and calculation of entitlement to New Shares will always be rounded down to the nearest whole share. Any residual cash balance will be carried forward to be included in the calculation of the next dividend. For shareholdings in CREST, residual cash balances of £3.00 or more will be paid to CREST shareholders in cash (by cheque) on or as soon as practicable to dividend payment date. Any residual amount of £2.99 or less will be paid to a charity of the Company's choice. No interest will be paid on any residual cash balances.

If you withdraw from the Scrip Dividend Scheme or sell or transfer your entire holding of Ordinary Shares, or if the Company terminates the Scrip Dividend Scheme, any cash balance of £3.00 or more will be paid to any such Shareholder via bank transfer on or as soon as practicable after the cancellation. Where any such residual amount is £2.99 or less such sums will be paid to a charity of the Company's choice.

7. How will I know how many New Shares I have received?

You will receive a statement, along with your new share certificate, showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes. If your cash dividend entitlement, together with any residual cash entitlement brought forward, is insufficient to acquire at least one New Share, your statement will explain that no New Shares have been issued and will show the total amount of cash to be carried forward.

CREST holders will have their member accounts credited directly with the New Shares on the dividend payment date or as soon as practicable thereafter and will separately receive a statement showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes.

8. Will I have to apply again for the Scrip Dividend Scheme for the next dividend?

No. Your completed Scrip Dividend Mandate Form will apply for all future dividends for which a Scrip Dividend is offered. For the avoidance of doubt, existing Scrip Mandate Forms executed by shareholders previously will remain effective and will apply to future dividends for which a Scrip alternative is offered unless the mandate is cancelled in accordance with these terms and conditions.

Shareholders holding via CREST will, however, need to elect for each dividend by means of the Dividend Election Input Message.

9. Are my new Scrip Dividend Shares included in the next Scrip Dividend?

Provided you continue to hold them at the relevant dividend record date, all New Shares will automatically increase your shareholding on which the next entitlement to a Scrip Dividend alternative will be calculated. Where your cash dividend is insufficient to acquire New Shares, funds representing your fractional cash entitlement will be accumulated for your benefit. These funds will be added to the cash amount of any subsequent dividends (in respect of which a Scrip Dividend alternative is offered) and applied in calculating your entitlement under that offer. Please note that there will be no accumulation of fractional cash entitlement for shareholdings in CREST.

All accumulated fractional cash entitlements of a value of £2.99 or less will, if you cancel your mandate or dispose of your entire shareholding, be paid to a charity of the Company's choice.

10. Will my New Shares under the Scrip Dividend Scheme have the same voting rights as my existing Ordinary Shares?

Yes. New Shares will carry the same voting rights as your existing Ordinary Shares.

11. When will I receive my share certificate?

Subject to the New Shares being admitted to the Official List of the United Kingdom Listing Authority, and to trading on the London Stock Exchange, your New Share certificate will be posted to you, at your own risk, on the same date as the cash dividend is paid.

12. Does the Scrip Dividend Scheme apply to Ordinary Shares held in joint names?

Yes. The Scrip Dividend Scheme will apply to shareholding accounts in joint names, so long as all joint holders have signed the Scrip Dividend Mandate Form.

13. Can I complete a Scrip Dividend Mandate Form for part of my holding?

No. Scrip Dividend Mandate Forms will only be accepted in relation to your entire shareholding. However see Question 16 for details of separate shareholding accounts.

14. Can Overseas shareholders join the Scrip Dividend Scheme?

Yes. If you are a resident outside the UK you may treat this as an invitation to receive New Shares unless such an invitation could not lawfully be made to you without any further obligation on the part of the Company or in compliance with any registration or other legal requirements. It is the responsibility of any person resident outside the UK wishing to elect to receive New Shares to be satisfied as to full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required and observing any other formalities in such territories.

15. What happens if I sell/buy shares after I complete a Scrip Dividend Mandate Form?

If you sell some of your Ordinary Shares before a record date for a dividend, the Scrip Dividend Scheme will apply to the remainder of your Ordinary Shares.

If you buy any additional Ordinary Shares after a record date, these additional shares will not be eligible to receive the cash dividend or New Shares, but will be eligible for future dividends without a new Scrip Dividend Mandate Form being completed so long as they are registered in the same way as your existing shareholding. If your Ordinary Shares are not registered in the same way, you may request your shareholding accounts to be amalgamated and/or you may complete a new Scrip Dividend Mandate Form in respect of your new shareholding.

16. What happens if I have more than one holding?

Holding shares in different accounts is a means by which you may select different preferences for dividend payments. For example, if for any reason shares are registered in more than one shareholder account, then unless such multiple accounts are consolidated, they will be treated as separate. As a result, separate Scrip Dividend Mandate Forms will need to be completed (and received by Link Group as set out at Question 3) for each shareholder account in order to participate in the Scrip Dividend Scheme. For the avoidance of doubt, dividends will be paid in cash for any shareholder accounts in which a Scrip Dividend Mandate Form has not been validly received by Link Group.

17. Can I cancel my instructions?

Yes, you may cancel your mandate at any time. However notice of cancellation must be given in writing to Link Group no later than 4.30pm on such date that is at least 20 business days before the relevant dividend payment date for it to be effective for that dividend. Shareholders holding through the CREST system can only cancel their mandate via the CREST system. In such circumstances shareholders would receive cash for that dividend and subsequent dividends. A notice of cancellation will take effect upon its receipt and process by Link Group in respect of all dividends payable after the date of receipt of such notice.

Your mandate will be deemed to be cancelled if you sell or otherwise transfer your Ordinary Shares to another person but only with effect from the registration of the relevant transfer. Your mandate will also terminate immediately on receipt of notice of your death, notice of your insolvency or your inability to maintain your financial affairs due to mental incapacity. If a joint shareholder dies, the mandate will continue in favour of the surviving joint shareholder(s) (unless and until cancelled by the surviving joint shareholder(s)). Funds representing fractional cash entitlements accumulated on your behalf of £2.99 or less will, on cancellation of your mandate, be paid to a charity of the Company's choice.

APPENDICES CONTINUED

18. Can the Company change or cancel the Scrip Dividend Scheme?

Yes. The Scrip Dividend Scheme may be modified, suspended, terminated or cancelled at any time at the discretion of the Directors without notice to shareholders individually. In the case of any modification, existing mandates (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until Link Group receive a cancellation in writing from you. The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Shares in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of the New Shares under the Scrip Dividend Scheme. This may, in particular, be exercised if 20 business days prior to the dividend payment date, the price of an Ordinary Share of the Company has fallen 15% or more below the Scrip Reference Share Price used to calculate Shareholders' entitlements. If the Directors revoke an offer, shareholders will receive their dividends in cash on or as soon as possible after the dividend payment date. An announcement of any cancellation or modification to the terms and conditions of participation in the Scrip Dividend Scheme will be made on our website at sse.com.

19. Governing Law

The Scrip Dividend Scheme is subject to the Company's Articles of Association and is governed by and its terms are to be construed in accordance with Scots law. By electing to receive New Shares the Shareholder agrees to submit to the exclusive jurisdiction of the Scottish courts in relation to the Scrip Dividend Scheme.

20. What do I do if I have any questions?

If you have any questions about the procedure for election or on how to complete the Scrip Dividend Mandate Form, please contact Link Group between 9.00am and 5.30pm (London time) Monday to Friday (except UK public holidays) on 0345 143 4005 Calls are charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scrip Dividend Scheme nor give any personal financial, legal or tax advice. Additional Scrip Dividend Mandate Forms are available from Link Group on request. Alternatively, you may email Link Group at SSE@linkgroup.co.uk

Scrip Dividend Mandate Forms should be returned to the following address:

Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Requests to withdraw from the Scrip Dividend Scheme should be submitted in writing to the same address stated above.

21. Taxation

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on your individual circumstances. If you are not sure how you will be affected from a tax perspective, you should consult your solicitor, accountant or other professional adviser before taking any action. UK resident trustees, corporate, pension funds and other shareholders, including overseas shareholders, are advised to contact their professional advisors regarding their own tax circumstances in relation to the Scrip Dividend Scheme. Summary information on the Company's understanding of the consequences of electing to receive New Shares, as this process applies under United Kingdom legislation and Her Majesty's Revenue and Customs is outlined, in broad terms, under Taxation separately. This summary is not exhaustive.

If you wish to receive dividends in cash in the usual way you need take no further action and should not complete or return a Scrip Dividend Mandate Form.

DEFINITIONS

Articles of Association means the Articles of Association of the Company as amended from time to time.

Link Group means the Company's Registrar.

CREST means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI/3755)) in respect of which Euroclear UK & Ireland Limited is the operator.

Directors means the Directors of SSE plc.

London Stock Exchange means the London Stock Exchange plc.

New Shares means new fully paid Ordinary Shares issued under the Scrip Dividend Scheme.

Ordinary Shares means Ordinary Shares of 50 pence each in the capital of the Company.

SSE plc or Company means SSE plc.

The SSE plc Scrip Dividend Scheme or the Scrip Dividend Scheme means The SSE plc Scrip Dividend Scheme as comprised under and subject to the terms and conditions contained in this document as amended from time to time.

Scrip Dividend Mandate Form or mandate means a mandate in a form provided by the Company from a shareholder to the Directors to allot New Shares under the terms of the Scrip Dividend Scheme in lieu of a cash dividend to which they may become entitled from time to time.

Scrip Reference Share Price means the price of New Shares, calculated by reference to the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date.

Shareholder means a holder of Ordinary Shares in the Company.

UKLA means the United Kingdom Listing Authority.

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland and its dependent territories.

TAXATION

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on shareholders' individual circumstances. If Shareholders are not sure how they will be affected from a tax perspective, they should consult their solicitor, accountant or other professional adviser before taking any action.

United Kingdom taxation

The following information is provided as a general guide to current UK tax law and to the current practice of Her Majesty's Revenue and Customs, both of which are subject to change at any time, possibly with retrospective effect. It is not advice. Except where specifically stated, the information is intended to apply only to shareholders who are resident (or in the case of an individual, domiciled and resident or ordinarily resident) in the UK for UK tax purposes, who hold Ordinary Shares as investments and who are the absolute beneficial owners of Ordinary Shares. The information may not apply to certain classes of shareholders, such as dealers in securities, broker-dealers, insurance companies, collective investment schemes, and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Shareholders who are in any doubt as to their tax position or who are resident or domiciled in or subject to tax in a jurisdiction other than the UK should consider their tax position and consult their own professional advisers as appropriate before participating in the Scrip Dividend Scheme.

Income tax

Generally, individuals who currently pay income tax at the basic rate will have no further liability to income tax in respect of New Shares received under the Scrip Dividend Scheme.

Individuals who are subject to income tax at the rate of 40% will be liable to pay income tax at the dividend upper rate of 32.5% on the gross income they are treated as having received. The 10% income tax deemed to have been paid can be set off as part of this liability, thereby reducing the liability to 22.5% of the amount of the gross income treated as having been received.

Individuals who are subject to income tax at the rate of 45% will be liable to pay income tax at the dividend upper rate of 37.5% on the gross income they are treated as having received. The 10% income tax deemed to have been paid can be set off as part of this liability, thereby reducing the liability to 27.5% of the amount of the gross income treated as having been received.

Capital gains tax

A shareholder who is an individual resident (for tax purposes) in the United Kingdom and who elects to receive New Shares instead of a cash dividend will be treated as having acquired those New Shares for an amount equal to the cash equivalent, cash equivalent defined as the amount of the cash dividend which the Shareholder would have received, had they not elected to take New Shares, unless the market value of the New Shares on the first day of dealings on the London Stock Exchange differs substantially from the cash dividend foregone (ie differs by 15% or more of such market value), in which case the market value will be treated as the cash equivalent of the New Shares for taxation purposes.

Corporation tax

To the extent that a company which is resident (for tax purposes) in the United Kingdom elects to receive New Shares instead of a cash dividend, the issue of the New Shares should not give rise to a charge to corporation tax. No acquisition cost should be obtained for the New Shares and, consequently, the calculation of any chargeable gain or allowable loss on a future disposal of, or of part of, that company's enlarged holding should fall to be made by reference to the base cost of the original holding.

Stamp duty

No stamp duty or stamp duty reserve tax will be payable on receipt of New Shares under the Scrip Dividend Scheme.

APPENDICES CONTINUED

Appendix 4: Summary of the principal proposed changes to the Existing Articles

1. Definitions and interpretation

The Board proposes that all gender references in the Existing Articles be made gender neutral in the New Articles to demonstrate the Company's continued support for diversity. These changes appear throughout the New Articles.

References to the "signing" of documents have been amended throughout to refer to the "execution" for the purposes of modernising the New Articles.

2. Shareholder meetings

It is proposed that provisions allowing hybrid general meetings be included in the New Articles to provide flexibility in line with market practice, so that in the future, the Board may hold general meetings by way of simultaneous physical and online attendance (Article 31.1 and Article 35.6). This would enable persons entitled to attend and participate in a general meeting to do so by means of electronic facility. The New Articles allow for hybrid general meetings but not virtual-only general meetings, which is in line with guidance from various investor bodies.

It is proposed that Article 35.8 be amended to confirm that under no circumstance will any failure of communication equipment, or any other failure in the arrangements for participation in the meeting at more than one place, affect the validity of such meeting at the principal place, or any business conducted at such meeting. The New Articles contain a new provision that allows the Board to put security measures in place in relation to electronic participation at general meetings (Article 39.4).

In the event that a shareholder meeting is postponed, it is proposed that the New Articles will give the Board greater flexibility as to how notice of the postponed meeting is given. Under Article 34.2, the Board must take reasonable steps to ensure that notice of the date, time and place of the meeting is made available to shareholders trying to attend at the original time and place, which can include a notice on the Company's website or an announcement to a regulatory information service.

To facilitate the administration of the Company's general meetings, the Board proposes that the New Articles widen the power of the Chair of the general meeting to adjourn a general meeting without the consent of the meeting where the chair is of the opinion that an electronic facility has become inadequate for the purpose of shareholder participation or the adjournment would facilitate the conduct of the business of the meeting (Article 41.2.2).

It is also proposed that voting will be by way of poll where a meeting is held as a hybrid general meeting, unless the chair decides that votes will be on a show of hands (Article 42.1).

3. Directors

The UK Corporate Governance Code requires all Directors of FTSE 350 companies to be subject to annual re-election by shareholders. The Company has in practice been compliant with this provision, and the Board proposes that this requirement be now enshrined within the New Articles at Article 24.1 so that all Directors, who are Directors at the date of the notice of AGM, retire from office at the AGM and are subject to re-election.

It is proposed that a provision will be included in the New Articles at Article 24.2 to allow the Company to operate in circumstances where an insufficient number of Directors are elected or re-elected at any of the Company's annual general meetings, thereby leaving the Board iniquorate. In such circumstances, it is proposed that all Directors would be automatically re-elected for the purposes of filling vacancies and convening general meetings of the Company and performing such duties as are appropriate to maintain the Company as a going concern and to enable it to comply with its legal and regulatory obligations. The Directors would be required to convene a further general meeting of the Company as soon as reasonably practicable to allow new Directors to be appointed, and such Directors who were not re-elected at the original general meeting would then retire.

In addition, it is proposed that the circumstances in which a Director's office will be vacated should include (a) when a Director has been absent for more than six consecutive months without the Board's permission (Article 25.1.6) and (b) when three quarters of the other Directors (rather than all of the other Directors, as under the Existing Articles) give notice that a Director should cease to be a Director (Article 25.1.7), in addition to the following circumstances in the Existing Articles: (c) when a Director ceases to be a Director by virtue of the law (Article 25.1.1); (d) in certain bankruptcy circumstances (Articles 25.1.2 and 25.1.3); (e) if a consultant specialist provides an opinion that a Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months (Article 25.1.4); and (f) upon resignation or retirement of a Director (Article 25.1.5). The removal of Article 25.1.5 of the Existing Articles, pursuant to which a Director's office would be vacated in the event of a court's order on the ground of mental disorder that prevents such Director from personally exercising their powers and rights, will bring the New Articles in line with the Mental Health (Discrimination) Act 2013.

The Board proposes that the cap on fees payable to Directors for their services as Directors be increased in the New Articles from £750,000 to £1,500,000 to bring the Company in line with other listed companies of a similar size to the Company and to ensure that there is sufficient flexibility in the New Articles in the future (Article 26.6).

4. Proxies and corporate representatives

The Board proposes adjustments to procedures surrounding the appointment of proxies by shareholders. The Existing Articles provide that evidence of a proxy appointment by a shareholder must be received by or on behalf of the Company not less than 48 hours before the general meeting to which it relates. Under the Companies Act 2006, the deadline for receipt of proxy appointments cannot be more than 48 hours before the relevant meeting but it can be less. The proposed wording in Article 47.3 will allow the Board to set a deadline that is less than 48 hours before the meeting (where it is practicable to do so) to provide additional flexibility for shareholders appointing proxies.

5. Share warrants

The Board proposes that all references to share warrants be removed from the New Articles, to reflect the change in law in 2015 prohibiting share warrants.

6. Untraced shareholders

It is proposed that the provisions of the Existing Articles relating to shareholders who are considered untraced after a period of 12 years be amended in order to provide additional flexibility in relation to trying to locate such shareholders and forfeiture rights in relation to the sale of shares owned by such untraced shareholders (Article 76.1).

In summary, the Existing Articles provide that the Company may sell the associated shares where during the previous 12 years it has tried to pay at least three dividends and no dividend has been cashed and no communication has been received by the Company from the shareholder, provided that the Company gives notice that it intends to sell the shares by advertising in two national newspapers.

It is proposed that the New Articles be amended to provide the Company with additional flexibility in relation to trying to locate any such untraced shareholders. The New Articles replace the requirement to place notices in newspapers with a requirement for the Company to take the steps to trace the shareholders which the Board considers reasonable (Article 76.1.3). In addition, it is proposed that the Company be required to send a notice to the last known address the Company has for such untraced shareholder advising of its intention to sell the shares (Article 76.1.4).

Under the Existing Articles, the Company may sell the shares of the shareholders who have been untraced for 12 years at the best price reasonably obtainable and can use the proceeds of that sale for the purposes of its business. The Company would be indebted to the former shareholder, so that he or she may subsequently claim the proceeds at any time. In the New Articles, under Article 76.5, where shares are sold following the tracing process, the Board proposes that the proceeds of such sale will be treated as forfeited and the former shareholders will no longer be able to claim the proceeds of the sale. The Company will be able to use the proceeds in any way that the Board thinks fit.

7. Method of payment of dividends

It is proposed that the Existing Articles be amended to provide the Company with additional flexibility to prescribe the manner in which cash dividends are paid.

Currently, the Company pays dividends by electronic payment. Although the Existing Articles already permit the payment of dividends by electronic means, the New Articles at Article 81 include market standard provisions which confirms that the Board may determine how dividends are paid to the shareholders in the most efficient manner, including where it is in the best interests of shareholders for payments to be made exclusively by one method of payment.

It is proposed that the Company retain the ability to pay dividends in accordance with all of the methods of payment provided for in the Existing Articles and that the Company have the flexibility to apply different methods of payment, or different combinations of methods to different shareholders or groups of shareholders (Article 81.2).

8. Scrip Dividends

In line with the latest Investment Association guidance, the Board proposes that Article 87 of the New Articles specify that shareholders may authorise the Board to implement a Scrip Dividend offer for a maximum period of three years, rather than five years as in the Existing Articles.

9. Bonus shares

In line with the Companies Act 2006 and common practice, the Board proposes in Article 88 of the New Articles that the Board may issue bonus shares to the Company in respect of Treasury Shares.

