

## ROLES OF CHAIR/SID/CHIEF EXECUTIVE/DESIGNATED NON-EXECUTIVE DIRECTOR OF EMPLOYEE ENGAGEMENT

### Chair

The Chair's responsibilities include:

1. To act as Chair of the Company and in that capacity to set the agenda, style and tone of Board discussions to promote effective decision-making and constructive debate for and to take the chair at Board meetings (which normally take place at approximately bi-monthly intervals) and at general meetings.
2. To provide coherent leadership of the Company including, as appropriate, representing the Company and understanding the views of shareholders.
3. To establish a close relationship of trust with the Chief Executive, providing support and advice while respecting executive responsibility.
4. To ensure that sufficient time is allowed for Board discussion of complex or contentious issues and specifically strategic matters.
5. To oversee the overall strategic direction of the Company and its subsidiaries ("the Group") and, as appropriate, play an active part in the development of the businesses.
6. To ensure that the Group's overall business objectives are acceptable to the shareholders, the City and the community and meet the high standards of probity expected from a major plc.
7. To ensure that the Group's reputation and image are promoted, developed and maintained; in particular ensure that safety and customer service are given the proper priority and that relationships within the communities in which the Company operates and with the Regulator are well handled.
8. In liaison with the executive team, to ensure that the Company's results are presented and communicated effectively to shareholders, the City and media.
9. Promote effective relationships, open communication and encourage active engagement, both inside and outside the Boardroom, between non-Executive Directors and the executive team.
10. To Chair the Nomination Committee, building an effective, dynamic and complementary Board, initiating change and planning succession in Board appointments, subject to Board and shareholders' approval.
11. To promote the highest standards of corporate governance and seek compliance with the provisions of the UK Corporate Governance Code wherever possible.

12. To ensure a clear structure for and the effective running of Board Committees, with appropriate Terms of Reference.
13. To monitor the effective implementation of Board decisions by the Chief Executive.
14. To ensure that members of the Board develop an understanding of the views of major investors and ensure communications with shareholders are effective.
15. To ensure the Board Directors receive accurate, timely and clear information.
16. To ensure there is a properly constructed induction programme for new Directors.
17. To ensure the performance of individuals, the Board as a whole and its Committees is evaluated each year.
18. To identify the development needs of individual Directors and in general to seek to enhance the effectiveness of the Board as a team.
19. To be an ambassador for the Company.
20. To consult the Senior Independent non-Executive Director when appropriate.
21. To make certain that the Board determines the nature, and extent, of the significant risks the Company is willing to embrace in the implementation of its strategy, and that there are no 'no go' areas which prevent Directors from operating effective oversight in this area.
22. To ensure that the Board has effective decision-making processes and applies sufficient challenge to major proposals.
23. To encourage all Board members to engage in Board and Committee meetings by drawing on their skills, experience, knowledge and where appropriate, independence.

#### **Role of Senior Independent non-Executive Director ("SID")**

The Senior Independent non-Executive Director's responsibilities include:

1. To be available to shareholders if they have any concerns which contact through the normal channels of Chair, Chief Executive or Finance Director has failed to resolve or for which contact is inappropriate.
2. To have sufficient contact with major shareholders and financial analysts through the Investor Relations programme or receive suitable information to obtain a balanced understanding of the issues and concerns of such shareholders.
3. To chair the Nomination Committee when it is considering the role of Chair of the Board.
4. To meet with the non-Executive Directors at least once a year to appraise the Chair's performance and discuss any other appropriate matters.

5. To deputise for the Chair on occasions as necessary or appropriate.
6. In normal times the SID should act as a sounding board for the Chair, providing support for the Chair in his objectives.

### **Chief Executive**

The Chief Executive's responsibilities include:

1. To lead the executive team and be responsible for the executive management of the Company's operations in line with the Group's culture, values and behaviours.
2. To be accountable for the success, profitable development and overall performance of all SSE plc businesses.
3. To formulate, gain approval for and implement strategic policies and business plans, and ensure that profitability, return on invested capital and total shareholder return are maximised.
4. To ensure that the highest possible standards of safety are set and achieved throughout the Company on behalf of the community and the Company's employees.
5. To ensure that the Company's reputation for customer service is maintained at the highest level.
6. To ensure that full account is taken of the impact of the Company's operations on the environment.
7. To review and agree departmental plans and budgets to ensure that these make the necessary contribution to the Company's objectives.
8. To monitor performance against plans to ensure that appropriate action is implemented to protect shareholders' interests.
9. To keep key management structures, systems and processes under review and to monitor the performance of key managers in order to maintain an organisation capable of achieving its objectives.
10. To ensure that major investment opportunities are critically reviewed against agreed standards and ensure that expenditure is controlled in accordance with the policies set down by the Board.
11. To develop and maintain good working relationships with Ofgem and other regulators so that the Company can both influence development of policy and secure the best outcome from the regulatory process.
12. To develop and maintain sound personal and business relationships within the industry, politicians, civil servants, major customers and other opinion formers so that the Company influences external developments and protects its best interests.

13. To ensure that the Company's performance and strategy are effectively communicated to investors, analysts and the financial media including taking a leading role in the Company's relationships with its major institutional shareholders.
14. To ensure that the Company develops and operates sound policies in the Human Resources field in order to enhance motivation and commitment at all levels and ensure appropriate succession planning and management development plans.
15. To ensure that the Group operates and maintains adequate support functions including IT, property, project services, procurement and other material corporate services.
16. To ensure that the Company has in place appropriate procedures and controls to meet all its regulatory, legislative and statutory obligations, and handles any legal disputes appropriately in the Company's best interests.
17. To co-ordinate the responsibilities and activities of the Executive Directors and the Executive Committee.
18. To assist the Chair in developing and maintaining an effective Board and ensuring that all Directors have access to accurate, timely and clear information.
19. To establish a close relationship of trust with the Chair, providing support and advice whilst respecting the role of the Chair.
20. To ensure there is an adequate system of control and risk management, including insurance arrangements covering the key areas of the Company's operations and that the Board is kept informed of the key risks.

#### **DESIGNATED NON- EXECUTIVE DIRECTOR FOR EMPLOYEE ENGAGEMENT**

The Director will act as Board Ambassador for Employee Engagement and will seek to strengthen links between the Board and the workforce. The aim of their role, in conjunction with management, will be to develop and implement employee engagement initiatives, whilst providing an "Employee Voice" to the Board by raising relevant matters, or issues of concern, highlighted by the workforce. Through a programme of activities, the Director will seek to gain an insight into the workforce culture within SSE. The Director will communicate with the workforce and where possible will seek to provide a clear understanding of Board decision making. The Director will not be required to deal with individual employee issues or HR matters.

Engagement will be delivered in a variety of ways. These will change from time to time but are likely to include some or all of the following:

- Engagement with officers of Trade Unions and internal Trade Union Representatives
- Social Media – including, Director's blog and Yam Jam events.
- Presentations and attendance at Employee conferences.
- Visits to various sites across SSE businesses.

