

Sir John Manzoni  
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**SSE plc**  
Inveralmond House  
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Telephone: 01738 455150

28 July 2020

**Dear John**

Following the recommendation of the Nomination Committee in July 2020, the board of SSE plc ('the Company') has appointed you as director and Chair of the Company and Nomination Committee, and as a member of the Remuneration Committee. These appointments will take effect from 1 April 2021 ('the Effective Date').

This letter sets out the main terms of your appointment. By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

### 1. Appointment

Your appointment as Chair will be for an initial term of three years commencing on the Effective Date, unless otherwise terminated earlier by and at the discretion of either party upon three month's written notice.

Continuation of your contract of appointment is contingent on satisfactory performance and re-election by shareholders at forthcoming AGMs. Typically, the Chair is expected to serve two three-year terms, although the Board may invite you to serve for an additional period.

Your appointment will be subject to the Articles of Association of the Company. If, in accordance with the requirements or provisions of the Articles, your appointment should come to an end for any reason before the end of the period referred to in this clause, it is understood that you would not have any claim for loss of office.

### 2. Committees

In line with best practice, upon appointment as Chair of the Company you will become a member of the Remuneration Committee and Chair to the Nomination Committee. You may also be expected to become a member of one or more of the other Committees of the Board (excluding in the Audit Committee).

### 3. Time commitment

Overall, it is anticipated a time commitment of around two days per week. This will typically include attendance at: (normally) 6 Board meetings per annum; Board Dinners; Board Committee meetings; the

AGM; other general meetings of shareholders; and separate meetings of non-Executive Directors where required. In each month where there is not a Board meeting, there is a Board conference call to update the Directors on the general business of the SSE Group.

There may also be an occasional Board away day, and you will be expected to undertake separately at least one site visit per year. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.

A greater time commitment could be necessary at times, particularly when travelling on Company business or in the case of significant events such as a major transaction or other corporate action.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. In addition, approval of the Board should be sought before accepting additional external appointments that might affect the time you are able to devote to your role as Chair.

#### 4. Role

##### 4.1 General Duties

As Chair, your duties will include those normally required of a non-Executive Director which have been outlined in **Schedule 1** of this letter.

You will have regard to relevant obligations under prevailing law and regulation, including the Companies Act 2006, the UK Corporate Governance Code and associated guidance, the Market Abuse Regulations and the UK Listing Authority's Listing, Prospectus Regulation and Disclosure and Transparency Rules. You should also have regard to the Guidance on Board Effectiveness, issued by the Financial Reporting Council in July 2018, an extract of which is included in **Schedule 2** of this letter.

##### 4.2 Chair's Duties

As Chair you will be responsible for setting the Board's agenda and for the style and tone of Board discussions to promote effective decision-making and constructive debate. In your role as Chair, your duties will be those as summarised in **Schedule 3**, which are in addition to the general Non-Executive Director duties outlined above in 4.1, laws, rules and other relevant legislation.

#### 5. Fees and expenses

From the Effective Date you shall be paid an annual fee of £400,000 gross (current at the date of this letter), which shall be paid in monthly arrears (less any deductions the Company is required to make by law), and which will be subject to review by the Board.

Unless otherwise agreed, you will not receive any additional fee for your appointment to or role on any Committee of the Board. You will not be entitled to participate in the Company's bonus or share option schemes.

The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office.

On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

#### SSE plc

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[sse.com](http://sse.com)



## 6. Independent professional advice

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director. Circumstances may occur when it will be appropriate for you to seek advice from independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the policy, which is available from the Company Secretary.

## 7. Outside interests

It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the Chief Executive and Company Secretary as soon as apparent. In accordance with the normal procedure, the Board will then need to consider your position and decide whether to approve any conflict and, if so, on what basis.

You will not, without the prior written consent of the Company, during the period of your appointment, be engaged in or concerned with any business which conflicts with any business carried out by the Company.

The Board has determined that you are independent according to the provisions of the UK Corporate Governance Code.

## 8. Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Chief Executive or Company Secretary.

## 9. Inside information and dealing in the Company's shares

Your attention is drawn to the requirements under both law and regulation as to the disclosure of price sensitive information. You should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chief Executive or Company Secretary.

During the appointment, you will comply with the rules adopted by the Company governing dealings by the Directors in the shares of the Company. A copy of the current share dealing code adopted by the Company will be provided to you by the Company Secretary. The Board has adopted a policy on Directors' shareholdings, which provides that each non-Executive Director (including the Chair) should own at least 2,000 shares in the Company.

## 10. Induction and training

The Company is able to arrange for you to have training appropriate for a director of your standing, including refresher courses to keep you apprised of the legal and regulatory developments.

## 11. Review process

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chief Executive, Senior Independent Director or Company Secretary as soon as appropriate. Your

performance will be evaluated by the Non-Executive Directors in conjunction with Executive Directors and led by the Senior Independent Director.

#### 12. Insurance

The Company has Directors' and Officers' Liability insurance and it is intended to maintain such cover for the full term of your appointment. The current indemnity limit is £130m and details are available from the Company Secretary.

#### 13. Data protection

The Company will collect and process information relating to you in accordance with the GDPR and the privacy notice a copy of which can be found at <https://www.sse.com/privacy-notice>.

Please sign and return the enclosed copy of this letter to acknowledge your acceptance of the provisions contained within.

Yours sincerely,



**Sally Fairbairn**  
Company Secretary and Director of Investor Relations

I have received the letter which this is a duplicate and confirm my acceptance of the provisions set out in it.

Signature.....

Date.....