


Applies to: SSE plc (All)	SCHEDULE OF RESERVED MATTERS FOR THE BOARD	 For a better world of energy
Classification: Public	Uncontrolled if printed	REF-GRP-CS-001

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SSE plc Board	SSE plc Board	April 2024	March 2025

1. Introduction

The role of the Board is to provide effective and entrepreneurial leadership, and to promote the long-term sustainable success of SSE plc (the Company) and its group of companies (together the Group), whilst generating value for shareholders and contributing to wider society. An effective Board develops and promotes its collective vision of the Company's purpose, strategy, vision, values, culture, and the behaviours it wishes to promote in conducting its business.

This document sets out the Schedule of Reserved Matters for the Board of SSE plc for its determination or delegation (subject to shareholder approval where appropriate).


2. Directors' Duties

In discharging their duties, the Directors shall have due regard to their legal and regulatory obligations. This includes the requirements of Section 172 of the Companies Act 2006, acting in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the Company's members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

3. Strategy and management

- 3.1.** Responsibility for the leadership and overall management of the Group.
- 3.2.** Approval of the Group's vision and purpose, and regular review of the Group's strategy, objectives, business development initiatives, and long-term strategic options.
- 3.3.** Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 3.4.** Review and approval of priorities surrounding SSE's principal sustainability impacts including in relation to climate change.

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- 3.5. Approval of the electricity distribution and transmission price control reviews proposed by Ofgem and any regulatory commitment to material investments such as the Accelerated Strategic Transmission Investment (ASTI) or similar.
- 3.6. Review of performance in light of the Group's strategy, objectives, business plans, sustainability impacts and budgets, and ensuring that any necessary corrective action is taken.
- 3.7. Oversight of the Group's compliance with its applicable statutory and regulatory obligations.
- 3.8. Approval of the material extension of the Group's activities into new business or geographic areas.
- 3.9. Approval of any proposal to cease to operate all or any material part of the Group's business.

4. Financial management and reporting

- 4.1. Approval of the interim and full-year financial results and interim management statements, following recommendations from the Audit Committee.
- 4.2. Approval of the Annual Report and Accounts in accordance with the Companies Act 2006 and the Listing Rules and following recommendations from the Audit Committee where appropriate.
- 4.3. Approval of trading statements.
- 4.4. Approval of the dividend policy.
- 4.5. Declaration of any interim dividend and recommendation of the final dividend.
- 4.6. Approval of any significant changes in accounting policies or practices following recommendations from the Audit Committee.

5. Structure and capital

- 5.1. Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buybacks (including the use of treasury shares).
- 5.2. Major changes to the Group's corporate structure including the making or receiving of any take-over bid or similar corporate transaction.
- 5.3. Any changes to the Group's management and control structure.
- 5.4. Any changes to the Company's listing or its status as a plc.
- 5.5. Any changes to the registered office or name of the Company.
- 5.6. Any changes to the Articles of Association.

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6. Major Transactions

6.1. Approval of acquisitions, disposals, or joint ventures with a value, in shares or cash, in excess of £50 million, or otherwise material to the interests of the Group, or outside of the agreed strategy with regards to technology, geographies, risk and reputation, as advised by the Group Executive Committee or a Regulated Networks Board.

6.2. Capital expenditure of a Group company in excess of:

Approved in Budget	£125 million
In Budget Not Approved	£125 million
Not Approved Not in Budget	£125 million

6.3. Operational expenditure of a Group company in excess of:

Approved in Budget	£125 million
Not in Budget	£50 million

6.4. Development expenditure of a Group Company in excess of:


Approved in Budget	£25 million
Not in Budget	£15 million

6.5. Prosecution, defence or settlement of litigation involving a value in excess of £30 million or being otherwise material to the interests of the Group as advised by the Group Executive Committee or a Regulated Networks Boards.

7. Risk and internal controls

7.1. Ensure maintenance of an effective and sound system of internal control and risk management following recommendations from the Audit Committee where appropriate.

7.2. Approval of the Group's risk appetite and ensuring an assessment of the Company's emerging and agreed principal risks is undertaken and reported on.

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8. People and culture

- 8.1. Responsibility to agree, monitor and promote a healthy culture for the Group including setting the Group's values, policies and standards which set out the attitudes and behaviours to drive responsible conduct, operations and relations with key stakeholders.
- 8.2. Ensure there is a policy in place allowing the workforce to raise any matters of concern.
- 8.3. Review the Group's Whistleblowing Policy and any reports arising from its operation.
- 8.4. Ensure there are processes in place to facilitate an independent investigation, allowing any action required, to be determined.
- 8.5. Material changes to the rules of the Company pension schemes or (when this is subject to the approval by the Company) material changes in the fund management arrangements.
- 8.6. Establishing employee and other incentive schemes and any material changes to them.


9. Board conduct

a. Board membership and appointments

- 9.1. Changes to the structure, size, and composition of the Board, following recommendations from the Nomination Committee.
- 9.2. Appointment and removal of the Directors and Secretary of the Company and changes to their executive positions as recommended by the Nomination Committee.
- 9.3. Determination of the independence of any Non-Executive Director or proposed Non-Executive Director.
- 9.4. Approval of the terms of reference of the Chair, Senior Independent Director, Chief Executive, Executive Directors, and Non-Executive Director of Employee Engagement.
- 9.5. Approval of the Terms of Reference and membership of board committees and the creation of any new board committees as required.
- 9.6. Ensure adequate succession planning for the board and senior management.
- 9.7. Appointment, reappointment, or removal of the external auditor to be put to shareholders for the approval, following recommendations from the Audit Committee.
- 9.8. Approval of the remuneration of the auditors and terms of engagement, following recommendations from the Audit Committee.

b. Remuneration

- 9.9. Determine the remuneration policy, level of remuneration and terms of appointment for the Executive Directors and the Company Chair to be delegated to the Remuneration Committee.

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- 9.10. Approval of the policy level of remuneration and terms of appointment of non-Executive Directors on the recommendation of the Executive Directors and the Company Chair.
- 9.11. Set the level of remuneration for members of the Group Executive Committee to be delegated to the Remuneration Committee.

c. Board operations

- 9.12. Review of the Group's overall corporate governance arrangements.
- 9.13. Conduct a performance review of the Board, its committees, and individual directors at least once each year.
- 9.14. Review engagement mechanisms with shareholders and SSE's key stakeholders to ensure they remain effective and provide effective oversight of issues material to each group.
- 9.15. The formulation of policy regarding charitable donations.
- 9.16. The making of any political donations.
- 9.17. Review and approve annually the contents of the Board Charter.

10. Shareholder notifications

- 10.1. Approval of all resolutions and related documentation to be put forward to shareholders at a general meeting.
- 10.2. Approval of all circulars (including listing particulars) to shareholders.

11. Schedule of reserved matters

- 11.1. Approval of this schedule of reserved matters.

12. Decisions between meetings

- 12.1. For the purpose of decisions on all matters arising from the above Schedule of Reserved Matters. Where a decision is required prior to the next scheduled Board Meeting, approval will be by a majority of the Directors, which must include one Executive Director, in writing or by phone or video conference or email and recorded by the Company Secretary or their nominee. There shall also be a report to the next Board Meeting on the reserved matter.

13. Other

- 13.1. This document operates in conjunction with complimentary frameworks and escalation pathways within SSE's Governance Framework.