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Registered Number: 11014226

NATIONAL ENERGY SYSTEM OPERATOR LIMITED

(the “Company”)

Summary of a Meeting of the Remuneration Committee of the Company
 held at Faraday House, Warwick Technology Park Gallows Hill Warwick, CV34 6DA
 on Monday 18 November 2024 from 14:00

Members:	Paul Plummer	Chair - Non-Executive Director
	Siobhan Duffy	Non-Executive Director
	Hannah Nixon	Non-Executive Director
	John Linwood	Non-Executive Director
Attendees:	Paul Golby	Board Chair, Non-Executive Director
	Fintan Slye	Chief Executive Officer
	Korn Ferry	Remuneration Advisor
	Paul MacFarlane	Interim Chief People Officer
Apologies:	None	

	Approvals and Discussion:
1.	<p>The Committee approved:</p> <ul style="list-style-type: none"> The minutes of the 24 June 2024 meeting. Submission of the NESO Remuneration Policy to Ofgem, updated from the previous ESO version to reflect the new organisational structure post 1 October 2024, noting that the Committee was reviewing the NESO Remuneration Policy more holistically and expected to conclude this work in 2025.
2.	Discussion and Noting:
	<p>The Committee received:</p> <ul style="list-style-type: none"> The draft Terms of Reference for the Remuneration Committee for discussion. The Membership of the Committee was noted. A paper reiterating that the current remuneration arrangements, post 1 October 2024, were as set out in the NESO Remuneration Policy. The Letter of Appointment for the NESO CEO, dated 1 October 2024. A paper detailing the transition arrangements for the in-flight LTIP (Long Term Incentive Plans) which had transitioned from National Grid on 1 October 2024 for years 2022-25, 2023-26 and 2024-27, as agreed by the Committee in June 2024. A verbal update on the individual remuneration review feedback sessions conducted with Board members by the Committee Chair to garner thoughts on the current and future remuneration arrangements. A paper setting out alternative approaches to adjust the FY25 annual bonus metrics for the NESO CEO, CFO and COO for consideration by the Committee. to confirm the remuneration policy principles, principally pay positioning and the use of discretion and judgement, debated at the November meeting.

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	<ul style="list-style-type: none"> • Papers setting out options for NESO’s performance metrics, options for executive incentives and long-term incentive design for consideration to support the drafting of NESO’s detailed remuneration policy for FY26. • A paper, outlining some of the general expectations of UK utility regulators around the use of incentives for executives, to help frame discussions • A paper, setting out the market practice approach for other elements of remuneration policy (pensions and benefits, malus and clawback and treatment of joiners and leavers) against the current NESO approach, for consideration.
	<p>The Committee noted the following matters:</p> <ul style="list-style-type: none"> • The actions and matters arising from the previous meeting. • The Committee forward business schedule.
	<p>The next Committee meeting is scheduled to take place on 20 December 2024</p>