

Publicly Available

Registered Number: 11014226

NATIONAL ENERGY SYSTEM OPERATOR LIMITED

(the “Company”)

Summary of a Meeting of the Remuneration Committee of the Company held via Videoconference on 20 December 2024 from 10:00

Members:	Paul Plummer	Chair - Non-Executive Director
	Siobhan Duffy	Non-Executive Director
	John Linwood	Non-Executive Director
Attendees:	Paul Golby	Board Chair, Non-Executive Director
	Fintan Slye	Chief Executive Officer
	Deborah Hall	Remuneration Advisor
	Paul Macfarlane	Interim Chief People Officer
	Nick Bean	Senior Reward Manager
Apologies:	Hannah Nixon	Non-Executive Director

	Approvals and Discussion:
1.	<p>The Committee approved:</p> <ul style="list-style-type: none"> The minutes of the 18 November 2024 meeting. Amendments to the CEO, CFO and COO Annual Performance Plan (APP) objectives and weightings from 1 October 2024 for the half year to March 2025 to reflect the transition to NESO.
2.	Discussion and Noting:
	<p>The Committee received:</p> <ul style="list-style-type: none"> A verbal update on a meeting in November 2024 between the Committee Chair, CEO and Jonathan Brearley at Ofgem to discuss remuneration policy matters. The draft Terms of Reference for the Remuneration Committee. The Committee considered the scope of the Committee’s remit. The ToR would be updated to reflect the discussion and presented for recommendation to the Board in January 2025 for adoption. A paper seeking to confirm the remuneration policy principles, principally pay positioning and the use of discretion and judgement, debated at the November meeting. 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.
	The Committee noted the following matters:

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	<ul style="list-style-type: none">• The actions and matters arising from the previous meeting.• The Committee forward business schedule.
	The next Committee meeting is scheduled to take place on 3 February 2025