Terms of Reference of the
North West Electricity Networks (UK) Limited Board of Directors
Dated 17 November 2026

1 Purpose

1.1 The principal responsibility of the board of directors (the **"Board of Directors"**) of North West Electricity Networks (UK) Limited (the **"Company"**, a director thereof being a "**Director**") is to facilitate the effective management of the business comprising the electricity distribution regulated activities carried out by Electricity North West Limited ("**ENW**") and its group, as part of the ScottishPower Group and, in turn, the Iberdrola Group in Great Britain (**"SP ENW Business"**), and as the intermediate Head of Business of the SP ENW Business (without prejudice to any matter reserved to or the exercise of any right or power by any of the Company's direct or indirect shareholding companies, including, without limitation, Scottish Power Energy Networks Holdings Limited), and in accordance with the business strategy set by the Scottish Power Limited Board of Directors.

1.2 These Terms of Reference of the Board of Directors of the Company contain the guidelines that are to govern all actions taken by the Board of Directors of the Company, the basic rules for the organisation and operation thereof and the rules of conduct to be observed by its Directors, in order to achieve the greatest degree of transparency, effectiveness, dynamism, supervision and control in the performance of its management and duties and representation of the interests of the "**ScottishPower Group**" (being, for the purposes of these Terms of Reference, Scottish Power Limited and its subsidiaries), in accordance with the *Purpose and Values of the Iberdrola Group*, adopted by the Company from time to time as part of the Company's Governance and Sustainability System, and all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

1.3 These Terms of Reference further develop and supplement the legal provisions applicable to the Board of Directors of the Company and form part of the Company's Governance and Sustainability System. The Company's Governance and Sustainability System is the set of documents made up of the Company's Articles of Association and the internal corporate governance and compliance rules approved or adopted by the appropriate management bodies of the Company from time to time, all of which are configured in accordance with applicable laws and the legal requirements and restrictions regarding the separation of regulated activities and rules regarding the protection of corporate autonomy and with the aim to best fulfil the corporate purpose, corporate interest, and social dividend, as defined in the Governance and Sustainability System of Iberdrola, S.A., and consequently the Company's own Governance and Sustainability System, as a way of providing direct, indirect or consequential added value to Stakeholders through the Iberdrola Group's activities, while also helping to fulfil the Sustainable Development Goals adopted by the United Nations (the **"SDGs"**).

1.4 These Terms of Reference have been prepared and approved taking into account the good governance recommendations generally recognised in international markets.

1.5 The guidelines for action and the rules for organisation and operation of the management decision-making bodies within the subsidiary companies within the group whose controlling entity, within the meaning established by law, is the Company (hereinafter, the **"Group"**) shall be governed by these Terms of Reference.

1.6 The principles set forth in these Terms of Reference, without prejudice to any adjustments that may be required based on the circumstances of each company, shall, in all cases, abide by the guarantees required by the Company's Governance and Sustainability System and the principles of coordination and information that must govern the relations among the management decision-making bodies of the various subsidiary companies of the ScottishPower Group in order for them to fully comply with their respective duties, all so far as in accordance with all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

2 Scope

2.1 These Terms of Reference apply to the Board of Directors, the representative decision-making bodies thereof (whether collective or single-person) and its internal committees (if any).

2.2 The persons and bodies to whom these Terms of Reference apply shall have the duty to be informed of them, to comply with them and to enforce them, for which purpose the secretary of the Company shall provide the Board of Directors with a copy that is to be acknowledged by means of a signed receipt, and that is to be published to the Directors' website and the Company's corporate website.

2.3 The Directors shall comply with and enforce the provisions of the Company's Governance and Sustainability System and shall confirm such commitment in writing upon accepting their appointment or re-election in such manner as is determined by the secretary of the Company.

2.4 A reference to the Audit and Compliance Committee refers the audit and compliance committee of ENW such as shall be constituted by it.

3 Approval, Amendment and Priority

3.1 These Terms of Reference of the Board of Directors established from time to time further develop and supplement the law and the provisions set out in the current Articles of Association of the Company.

3.2 In the event of a conflict between these Terms of Reference, the law and Articles of Association, the law and Articles of Association shall prevail.

3.3 These Terms of Reference shall be interpreted in accordance with the Company's Governance and Sustainability System.

3.4 These Terms of Reference, and any amendment to them, must be approved by resolution of the Board of Directors.

4 General Principles

4.1 Pursuant to the Board of Directors' powers to establish rules to regulate itself and make provision for the management of its internal activities and its disposal of matters, each member of the Board of Directors, including the Chief Operating Officer, shall, in accordance with their fiduciary duties (including in particular, but not limited to their duty under section 172 of the Companies Act 2006) independently carry out their functions and competencies with due regard to the corporate interest and common purpose, in accordance with the Iberdrola Group's (as defined below) *Purpose and Values of the Iberdrola Group* and *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*, adopted by the Company from time to time as part of the Company's Governance and Sustainability System, and all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

4.2 These Terms of Reference also express the Company's commitment to the purpose (to continue building, together each day, a healthier, more accessible energy model, based on electricity) and the values (sustainable energy, integrating force and driving force) of the *Purpose and Values of the Iberdrola Group* and the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* as adopted by the Company from time to time, which shall form the basis of the Company's corporate ideology and ethical principles, and guide its corporate purpose and strategy and performance. The Board of Directors will take note of the fact that the Company shares (in so far as adopted by the Company and given its place within the Iberdrola Group − the multinational group of companies which controlling entity is the listed holding company "Iberdrola, S.A.", hereinafter, the **"Iberdrola Group**"– the corporate interest of the Iberdrola Group, which is aimed at creating sustainable value for all Iberdrola Group shareholders, taking into consideration and engaging all Stakeholders related to the Iberdrola Group's business and making them participants in the social dividend generated by its activities, and contributing to the achievement of the SDGs, and its compliance with best environmental, social, and corporate governance (ESG) practices, and thereby defining the Company as a key institutional player in the economic and social environment in which it operates, all so far as in accordance with all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

5 Corporate Interest

The Company, as the head of business company of the SP ENW Business, shares with the Iberdrola Group the concept that it is the duty of each Director to act in the way he/she considers, in good faith, would be most likely to be in the corporate interest of the Company, understood as that most likely to promote the success of the Company for the benefit of all shareholders of the Company (including, specifically, individual Stakeholders (if any)), taking into account other Stakeholders related to its business (including, in relation to the Company and in particular, having regard to the matters set out under section 172 of the Companies Act 2006), all so far as in accordance with all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

6 Social Dividend

6.1 The performance of the activities included within the Company's corporate objectives, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the *Purpose and Values of the Iberdrola Group* and the commitments made in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*.

6.2 The Company, as the head of business company of the SP ENW Business, contributes to the Iberdrola Group's social dividend. In n this respect, the Company may collaborate with entities related to the Iberdrola Group in order to promote and carry out activities developed in relation to the sustainable development policies of its business, all so far as in accordance with all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

6.3 The Company's performance in social, environmental and sustainability areas, as well as the social dividend generated and shared with its Stakeholders, make up the Company's non-financial information, and the Company shall in accordance with any Stakeholder engagement policy as may be approved by the Company (and in coordination with Iberdrola, S.A.) promote the public dissemination of its non-financial information and the corporate dividend generated, especially among its Stakeholders.

7 Applicable Legal Provisions, Governance and Sustainability System and Compliance System

7.1 The Company is governed by its constitutional documents and all applicable laws, rules and regulations, as well as its Governance and Sustainability System described in article 1.3, which is approved by the Board of Directors.

7.2 The Company`s Governance and Sustainability System adopts those corporate policies and other governance and compliance rules that have been approved by the board of directors of Iberdrola, S.A. pursuant to its status as the Iberdrola Group's ultimate holding company with application to all companies belonging to the Iberdrola Group (in addition to such policies and rules approved by the board of directors of Scottish Power Limited with application to the Company), and thus ensuring proper coordination and consistency with Iberdrola, S.A.'s Governance and Sustainability System.

7.3 The Company also approves and incorporates to its own Governance and Sustainability System its own corporate policies and other governance and compliance rules, informed by the policies established by Iberdrola, S.A. and Scottish Power Limited that do not apply to the Company directly

7.4 Accordingly, the Governance and Sustainability System is founded upon the principles of the *Purpose and Values of the Iberdrola Group*, which define the ideological foundation of the Company's business, which, due to its size and importance, is a focal point of interaction for a large number of Stakeholders and the environmental, social and economic framework under which the Group does business.

7.5 The Board of Directors is responsible for the development, application and interpretation of the rules making up the Governance and Sustainability System (along with any rules approved by the sole parent(s) of the Company), including in relation to ensuring compliance at all times with the purposes of the Governance and Sustainability System and the fulfilment of the corporate interest of the Company.

7.6 Full or summarised versions of the rules making up the Governance and Sustainability System shall be made available on the Company's corporate website (in so far as not confidential or internal in nature).

7.7 The Company has a well-developed Compliance System, comprised of a structured set of rules, formal procedures and activities that are intended to ensure that the Company acts in accordance with ethical principles, the law and internal rules, particularly the Governance and Sustainability System, to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the directors, professionals, or suppliers thereof within the organisation.

8 Powers of the Board of Directors

The provisions of this Article 8 are all so far as in accordance with all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities:

8.1 The principal responsibility of the Board of Directors (subject to their fiduciary duties) is the effective management and day to day operation of the SP ENW Business in accordance with the Group's strategy, in the carrying out of which the Board of Directors shall take into account the ScottishPower Group strategy where the Board of Directors believe this is in the interests of the Group.

8.2 The effective management and operation of the Company will be administered by the Board of Directors.

8.3 In addition, without prejudice to the power of the shareholder(s) of the Company (in such capacity) to take shareholder type decisions in relation to the Company, the Board of Directors or any Committee of the Board of Directors duly authorised in this regard (subject to their fiduciary duties) is specifically empowered to dispense with the following matters (among others):

(a) Coordinate with Scottish Power Limited, as the Iberdrola Group's sub-holding company in the United Kingdom, with regard to the establishment of the ScottishPower Group's management guidelines and strategic objectives in the United Kingdom;

(b) Subject always to legal requirements and restrictions regarding the separation of regulated/licenced activities, the Company shall remit to Scottish Power Limited relevant information and proposals regarding its annual objectives, results and required budget, in order to facilitate the performance of the parent company's

own functions in the monitoring and strategic coordination of the ScottishPower Group in the United Kingdom;

(c) Approve objectives (short or long-term as the case may be) and performance programmes and indicators of the Company (and such of its officers) as may be determined from time to time;

(d) Prepare proposals for the distribution of dividends in accordance with any policy relating to dividends as adopted by the Company and in accordance with the Articles of Association of the Company;

(e) Promote and supervise the strategy relating to the Company´s engagement with its respective Stakeholders, informed by the policy and model established in this respect by Iberdrola, S.A., and approving in particular the signing of any collaboration agreement(s) (or accession agreement thereto) with Scottish Power Limited and the ScottishPower Foundation for the promotion and execution of activities relating to sustainable development policies within its own scope of activities;

(f) Oversee compliance by the Company and its direct or indirect subsidiaries with the personal data protection regulations in accordance with any policies in this regard within the Governance and Sustainability System of the Company, in respect of which the Data Protection Officer shall periodically (and in any case annually) as deemed necessary provide a report to the Board of Directors;

(g) Approve the annual consolidated budget of the Company and its direct and indirect subsidiaries;

(h) Approve, following a report from the Audit and Compliance Committee, the financial information relating to the Company and its direct and indirect subsidiaries, which shall have also been reviewed by the auditor of the Company, if appropriate;

(i) Consider the recommendations or other output of business groups or committees charged with the development of the Company's business which may promote or maximise the value of the SP ENW Business as a whole;

(j) Subject to the legal requirements and restrictions regarding the separation of regulated/licensed activities, supervise contracts for the provision of intragroup services, and oversee and coordinate (as appropriate) any relevant support provided to the governance bodies established within the ScottishPower or Iberdrola Group as applicable to the Company or its Group, and review and approve each year the standards that must be met (to protect the corporate interest) for transactions carried out between the Company and its subsidiaries and all other companies within the ScottishPower or Iberdrola Group; oversee the implementation and development of Stakeholder engagement by the SP ENW Business.

(k) In accordance with Article 11 of these Terms of Reference, approve, delegate or propose to the sole member of the Company for approval, as the case may be, the transactions that the Company undertakes with its sole member, with its subsidiaries or with any related party all under the terms established by law and in accordance with the Company's Governance and Sustainability System and all without prejudice, where applicable, to the relevant powers of the Board of Directors or the board of directors of Iberdrola, S.A. or of Scottish Power Limited;

(l) Oversee the effective separation (to the extent required by law) of the SP ENW Business's activities in relation to companies of the Iberdrola Group which perform liberalised activities, as well as oversee the compliance by employees, managers and directors with the independence criteria stated by law and other applicable regulations, including (without limitation) the *ScottishPower Business Separation Policy*;

(m) Oversee the implementation and development of Stakeholder engagement by the SP ENW Business;

(n) Ensure the proper use of the Iberdrola brand, as well as the Company's brand, as an expression of the *Purpose and Values of the Iberdrola Group* and its commitment to the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*;

(o) Support and promote the presence of the Company and its direct or indirect subsidiaries on social networks, and promote the development of the Iberdrola Group's communication and innovation strategy and digital transformation;

(p) Establish the structure and accessibility of the Company´s corporate website, through which the *Purpose and Values of the Iberdrola Group* as well as the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* shall be disseminated, which shall identify the Company's activities, its relationship with the Iberdrola Group, and its position on matters of corporate governance, sustainability and the environment, and which shall facilitate the Company's engagement with its Stakeholders and the public; while also ensuring an appropriate level of coordination among the Company's corporate website and those of Scottish Power Limited; and

(q) Authorise proposals for the appointment and removal of directors of direct subsidiaries of the Company, and note proposals for the appointment or removal of directors of indirect subsidiaries of the Company, in accordance with any Iberdrola Group policy adopted by the Company as it relates to the appointment and removal of directors of the ScottishPower Group.

(r) Review and decide on possible conflicts of interest among or with the companies of the Company's Group.

8.4 Subject to the provisions of the Articles of Association of the Company, the Board of Directors shall also be responsible for dispensing with the following (non-delegable) matters:

(a) Regulate its own organisation and operation.

(b) Approve the Company's non-financial statement in accordance with applicable law and the Company's Governance and Sustainability System only where required as part of its shareholder consolidated non-financial information reporting processes.

(c) Designate or classify officers of the Board of Directors or its committees as necessary, desirable or convenient.

(d) Propose, within any defined scope or limitation, resolutions relating to the remuneration of Directors acting in their capacity as such, and set the remuneration of executive directors acting in the capacity as such (and other terms to be included in their contract(s)).

(e) Approve the appointment and removal of members of the Company's senior management, being comprised of persons who report to the Board of Directors of one of its officers, whereby the Company's Head of Internal Audit or equivalent (if any) shall be deemed to be a senior manager.

(f) Approve, authorise or take note of proposals for the appointment and removal of directors of subsidiaries of the Company in accordance with any Iberdrola Group policy adopted by the Company.

(g) Decide on proposals submitted to it by the Chief Operating Officer of the Company, or by any committee of the Board of Directors, if any.

(h) Implement resolutions of the Company's shareholder(s) as appropriate.

(i) Further define the Company's decision-making structure to be approved by the Board of Directors itself or by any committee of it or by any other delegated management or decision-making body.

(j) Supervise the effective operation of any committee established by the Board of Directors, and the conduct of any delegated decision-making bodies or officers or representatives appointed by it.

(k) Make a decision on or else a proposal for shareholder approval on any matter attributable to the Board of Directors in relation to a Related Party Transaction or interest or conflict of interest of a Director in accordance with the Company's Articles of Association, its Governance and Sustainability System or under applicable law.

8.5 Unless otherwise provided for herein, the Board of Directors shall entrust the day-to-day management and administration of the Company to its Chief Operating Officer, other executive Directors (if any) and members of management appointed by the same, who shall (amongst other things): (i) promote and supervise the management of the Company, and particularly compliance with the guidelines and objectives established by the Board of Directors, and (ii) define or elaborate any other guidelines, policies and practices and make provision for any other delegations in the normal course of management and day-to-day administration.

9 Reserved Matters

The Board of Directors shall further have reserved to it the following powers, all so far as in accordance with all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities:

Constitution

9.1 The making of any proposal to the shareholder(s) of the Company in relation to the alteration to the Articles of Association of the Company.

Financial Management, Reporting, and Audit

9.2 The making of any proposal to the shareholder(s) of the Company in relation to the appointment or termination of appointment of the Company's Auditors or its lead advisors.

9.3 Approval of the statutory accounts of the Company and, as required, the consolidated financial statements of the Company and the SP ENW Business.

9.4 The declaration of any dividend payable to the immediate parent company.

Investments and Divestments

9.5 The approval of investment/divestment proposals and investment/divestment plans for the SP ENW Business exceeding €6 million, and in accordance with the ScottishPower Group's investment policy, parameters and criteria (having regard to the *Standard for the Supervision of Investments and Divestments in the Companies Belonging to the Iberdrola Group*).

9.6 The acquisition or sale of assets or properties, whether in the form of a business undertaking or shares in an incorporated company, by the Company or any of its subsidiaries where the value exceeds €6 million (or where the value is negative).

Procurement/Purchasing

9.7 Approval of procurement/purchasing proposals for the SP ENW Business exceeding €1 million, and in accordance with the ScottishPower Group's purchasing policy, parameters and criteria.

Operation & Maintenance (O&M)

9.8 Approval, identification and implementation of O&M proposals and operational efficiency initiatives for the SP ENW Business all in accordance with any policy adopted relating to the foregoing, and parameters and criteria.

Contracts and Other Commitments

9.9 Approval of any contracts, obligations, items of operational expenditure or items of capital expenditure for the SP ENW Business exceeding €6 million.

Other Operational Matters

9.10 All other decisions related to the effective management of the SP ENW Business in accordance with the ScottishPower Group's business policies, parameters and criteria.

10 Director and Secretary Duties and Obligations

10.1 General Duties of Directors

Without prejudice to the Company's Articles of Association and any provision of law including any legal requirements and restrictions regarding the separation of regulated activities, including the Companies Act 2006, Directors must discharge and observe the duties of their office and those prescribed by law and the Company's Governance and Sustainability System with the diligence of a prudent business executive and must discharge the duties of their office in accordance with their fiduciary duties towards the Company, and, in particular, each Director shall undertake to:

(a) Properly prepare for meetings of the Board of Directors and, if applicable, the meetings of the committees of which the Director is a member, for which purpose the Director shall diligently obtain all relevant information regarding the running of the Company and the matters to be discussed at such meetings.

(b) Attend meetings of the Board of Directors and, if applicable, the meetings of the committees of which the Director is a member, and actively take part in deliberations so that their judgement effectively contributes to decision-making.

(c) Perform any specific task entrusted to them by the Board of Directors, provided that such task reasonably falls within the scope of the Director's area of specialisation.

(d) Give notice to the Board of Directors of any irregularities in the management of the Company of which the Director becomes aware, subject always to any applicable provision of law or the Company's Governance and Sustainability System in relation to such irregularity.

(e) Propose that an extraordinary meeting of the Board of Directors be called or further items be added to the agenda of a meeting of the Board of Directors so that such matters as the Director deems appropriate may be discussed.

(f) Oppose resolutions that are contrary to the law, to the Company's Governance and Sustainability System or to the Company's corporate interests (and demand that their dissent be noted in the minutes of meetings of the Board of Directors), and, subject to their power, authority and discretion seek the invalidation of any such resolution.

10.2 **Duty not to Compete**

A Director may not be a director or executive of, nor provide services to, another company having a corporate purpose wholly or partly similar to that of the Company or operating as a competitor of the Company. The foregoing shall not apply to functions and offices held: (i) at Iberdrola Group companies; (ii) at companies where the Director acts as a representative of the Iberdrola Group's interests; (iii) at companies in which a member of the Iberdrola Group holds a minority interest and the Director does not act as a representative of the Iberdrola Group's interests (unless the Board of Directors takes the view that such role or services is or could be a risk to the corporate interests of the Iberdrola Group); and (iv) in other circumstances in which, in accordance with the Company's Articles of Association and any provision of law, the sole member of the Company or the Board of Directors releases him from the above restriction following a review and consideration of any risk and/or damage to the corporate interest that might arise from doing so.

10.3 **Use of the Company's Assets**

Without prejudice to their director duties at law, a Director may not use the Company's assets nor exploit their position at the Company to obtain any economic advantage unless they have provided adequate consideration, on an arm's length basis, in respect of such and for standard services (although, as an exception, a Director may be released from the obligation to provide adequate consideration by the Board of Directors or the sole member of the Company (as appropriate), but in that event the economic advantage shall be treated as remuneration in kind).

10.4 **Return of Information**

Immediately prior to removal from office as Director of the Company, Directors shall return (and/or, at the request of the Company, delete their own personal copies of) all the corporate documentation and information they may have had access to in the exercise of their position, including information stored by any means or on any device, whether corporate or personal, and must expressly confirm, at the request of the Company, that they have done so.

10.5 **Conflict of Interest**

Without prejudice to the Company's Articles of Association and any provision of law:

(a) Communication

When a Director becomes aware of being involved in a conflict of interest, the Director must report it in writing to the Board of Directors through the secretary of the Company as soon as possible.

This communication must contain a description of the situation that has given rise to the conflict of interest, indicating whether it is a direct one or an indirect one through a related person, in which case the latter party must be identified.

The description of the situation must specify, as appropriate, the purpose and the main terms and conditions of the transaction or circumstance, including details of the financial amounts involved or an approximate estimate.

(b) Abstention

Any doubt as to whether or not a Director could be in a conflict of interest situation must be reported to the secretary of the Company. In such a case, the Director shall take all reasonable steps to avoid the continuation of such conflict until the situation is resolved in accordance with the Company's Articles of Association or any applicable provision of law.

The secretary of the Company shall remind the Directors at all meetings of the Board of Directors, and any committees of it, which the secretary attends of the reporting and abstention rules set forth in this Article of these Terms of Reference and in the Company's Articles of Association before proceeding with the agenda of the meeting.

(c) Transparency

Whenever so required by law, the Company must report on any conflict of interest situations that Directors may find themselves in during the financial year in accordance with all applicable company reporting regulations.

10.6 **Business Opportunities**

(a) Subject always to any applicable provision of law including any legal requirements and restrictions regarding the separation of regulated activities, a Director may not, for their own or any related party's benefit, exploit any of the Company's business opportunities, unless such investment or transaction was previously offered to the Company and the Company declined to exploit it and was not influenced to do so by the Director, and the Director's exploitation of the transaction is authorised by the Board of Directors or the sole member of the Company.

(b) For the purposes of the foregoing paragraph, a "business opportunity" means any possible business transaction that arises or is discovered in connection with the Director's performance of their office or by the use of the Company's

resources and information or under such circumstances where it is reasonable to conclude that the third party's offer was in fact to the Company and not to the Director.

(c) A Director shall abstain from using the Company's name or relying on their status as a Director of the Company for the purpose of entering into transactions on their own or any related party's behalf.

10.7 **Disclosure**

A Director shall, via the secretary of the Company, disclose to the Company:

(a) Any ownership or shareholding interest that they may have in any company having the same, a similar or a complementary type of business to that constituting the corporate purpose of the Company, any position or function they may perform at such company, and their pursuit, on their own or another's behalf, of any manner of activity that is complementary to that constituting the corporate purpose of the Company. These disclosures shall be set out in the notes to the financial statements in accordance with statutory and financial reporting requirements.

(b) All positions that the Director holds in, and services the Director provides to, other companies or entities, with the exception of those within the Iberdrola Group, as well as all other professional duties they may have. In particular, the Director shall inform the Board of Directors prior to accepting any directorship or managerial office at another company or entity (except for the positions the Director is called upon to hold at companies belonging to the Iberdrola Group or at other companies in which they represent the interests of the Iberdrola Group).

(c) Any material change in their professional situation that might affect the nature or status under which they were appointed a Director.

(d) Any judicial, administrative or other proceedings instituted against them which, by reason of their nature or significance, might seriously affect the Company's reputation (including, but not limited to, a situation where a Director becomes subject to an order for criminal prosecution or a formal investigation). In such circumstances and subject always to the Company's Articles of Association and any applicable provision of law, the Board of Directors shall review the case as soon as practicable and shall adopt any measures it deems fit taking into account the interests of the Company (including, for example, the sanctioning of an internal investigation, requesting resignation, or proposing removal).

(e) In general, any other relevant circumstance or situation that may adversely impact their performance as a Director.

10.8 **Duties of Secretaries**

The secretary of the Company, and, if such office is in existence, any deputy secretary of the Company, shall be bound by the relevant obligations upon such an officer of the Company as set out under the Companies Act 2006

10.9 **Orientation Programme and Training**

(a) The Company shall make available to the directors a specific software application (directors' website) to facilitate the performance of their duties and the exercise of their powers of information, as well as access to the Orientation Programme and to training or knowledge refresher materials addressed to the directors.

Such information as is deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof, in accordance with the agenda included in the calls to meeting, as well as the presentations and related materials referred to in Article 10.9(c) below, shall be posted on the directors' website.

Generally, the communications and forms that the directors must deliver to the Company shall be sent through the directors' website. Said communications and forms shall have the same effects as if an original signed copy had been sent.

In addition, the directors shall be given access through the directors' website to the minutes of the meetings of the Board of Directors and the committees thereof, as well as such other information that the Board of Directors, the chairman thereof or its secretary resolves to include.

All of the foregoing shall be without prejudice to the measures that may be necessary or appropriate to adopt in order to maintain the confidentiality of the information included in the directors' website.

(b) New directors shall be provided with the support required for them to become rapidly and adequately acquainted with the Company and the other companies of the Group, such that they can actively perform their duties as from their appointment as such. To this end, an Orientation Programme shall be made available to them through the directors' website, which they shall sign to acknowledge receipt.

The Orientation Programme shall cover the following matters, among others:

(i) Business and organisational model of the Company and the other companies of the Group: global view of the strategy, the principal areas of business activity, the most significant risks (both financial and non-financial), the commitment of the Group's companies to sustainability and to the contribution to society in general, the Company's general reporting obligations, and the rules on compliance and internal control.

(ii) Corporate, governance and ownership structure: description of the corporate and governance structure of the Group, including the operation of the main corporate decision-making bodies, as well as the role of the Company's Board of Directors and of each of its committees and the powers and responsibilities thereof.

(iii) Management team and, where appropriate, information on cross-functional support or consultative committees linked to strategic functions.

(iv) Governance and Sustainability System and measures to engage the shareholders in corporate life.

(v) Duties and obligations of directors, including the appropriate dedication expected for them to perform their respective roles, those arising from organisational best practices, and those related to the operation of the Board of Directors and its committees.

Directors are required to be familiar with the Orientation Programme and shall agree in writing to comply with the obligations and follow the recommendations set out in said programme at any time.

(c) The Company may establish training or knowledge refresher programmes for the directors.

In particular, in order to improve their knowledge of the Group's companies, presentations may be made to the directors in connection with the businesses that they are engaged in. In addition, at each meeting of the Board of Directors, a specific portion of the meeting may be devoted to a presentation on matters that are significant for the companies of the ScottishPower group, including those relating to sustainability, reputation, climate action, the circular economy, security and resilience, compliance, and risk control and management.

11 Related Party Transactions

11.1 Related party transactions shall be deemed to be any transaction involving a transfer of resources, services or obligations between the Company or its subsidiaries or Associated Companies (within the meaning given thereto by section 256 of the Companies Act 2006) with related parties (within the meaning given thereto by the international accounting standards as defined in section 474 of the Companies Act 2006), whether or not any consideration is involved, but excluding those transactions which, in accordance with any provision of law (including the Disclosure Guidance and Transparency Rules and the Companies Act 2006), the Articles of Association of the Company and these Terms of Reference or in accordance with Article 11.2 below, do not constitute related party transactions (**"Related Party Transactions"**).

11.2 Related Party Transactions shall not include: (i) operations or transactions between the Company and its direct or indirect wholly-owned subsidiaries, or between these subsidiaries; (ii) operations or transactions between the Company and its subsidiaries (or

companies in which a member of the Iberdrola Group holds a minority interest) where no other party linked to the Company has interests in such subsidiaries (or such minority interest companies); (iii) the signing by the Company and any executive director or member of senior management of a contract governing the terms and conditions of the executive duties they are going to perform, including the determination of the remuneration to be paid for said duties (which must be approved pursuant to the provisions of the Articles of Association of the Company); nor (iv) transactions offered on the same conditions to all shareholders of the Company in which their equal treatment and the interests of the Company are assured.

11.3 Related Party Transactions must necessarily be approved by the sole member of the Company when they involve a transaction with a value exceeding ten percent of the Company's assets (or such other material value as determined by the sole shareholder of the Company). Where this threshold is not met, Related Party Transactions shall be submitted for approval to the Board of Directors. In both cases, a previous report from the Audit and Compliance Committee shall be required.

11.4 The Board of Directors, through the Audit and Compliance Committee, shall ensure that Related Party Transactions are fair and reasonable from the Company's standpoint.

11.5 Without prejudice to the foregoing of this Article 11, the Board of Directors may delegate the approval of transactions of the Company with other Iberdrola Group companies, or ScottishPower Group companies which are not excluded pursuant to Article 11.2 above, when these transactions are conducted in the ordinary course of business, including those resulting from the performance of a contract or framework agreement, and which are concluded on arms' length terms. The approval of Related Party Transactions referred to in this paragraph does not require a prior report from the Audit and Compliance Committee, but the Board of Directors must establish an internal information control procedure with respect to them, which shall include oversight by the Audit and Compliance Committee and which shall confirm the fairness and transparency of such transactions and, where appropriate, compliance with the criteria that allow for delegation.

11.6 The conducting of a Related Party Transaction places the Director who carries it out, or who is related to the person that carries it out, in a conflict of interest situation, thus the provisions of Article 10.5 of these Terms of Reference apply.

11.7 All Directors within the first quarter of each year (and in advance of the issue of the statutory auditor's report in respect of the Company's audited accounts) shall provide a report addressed to the Company of those Related Party Transactions that they have carried out, or persons tied to the Company who are related to them have carried out, during the previous year. Without prejudice to the foregoing, the Directors must immediately report in writing any Related Party Transaction in which they are involved or anyone related to them is involved that require approval by the Board of Directors under law or in accordance with the provisions of the Company's Articles of Association or these Terms of Reference. The reporting of Related Party Transactions must contain the following information: (i) purpose and nature of the transaction; (ii) date on which it began; (iii) main terms and conditions, including the value or amount of the consideration

and the terms and conditions of payment; (iv) identity of the people involved in the transaction and relationship, where applicable, with the Director; and (v) other aspects, such as price policies and guarantees, that enables it to be assessed, including, particularly, information that makes it possible to verify that it is a fair and reasonable transaction from the Company's standpoint.

11.8 The secretary of the Company or such appropriate other person shall cause to be recorded the Related Party Transactions concerning Directors.

11.9 On an annual basis, the Board of Directors shall report to the sole member of the Company on any and all Related Party Transactions, such as they may exist.