

# **ESB EXECUTIVE COMMITTEE**

## **TERMS OF REFERENCE**

## **ESB GROUP – EXECUTIVE COMMITTEE (ExCo)**

### **TERMS OF REFERENCE (TOR)**

#### **A. PURPOSE AND AUTHORITY**

1. The Executive Committee (ExCo) is the executive leadership body in ESB. The role of the Executive Committee is to provide leadership to ESB, setting direction and expectations, bringing clarity and purpose, and inspiring and supporting our people to deliver ESB's purpose.
2. The ExCo is a consultative forum. Decision making authorities are set out in the Consolidated Authority Levels reserved to the Board and delegated to Management in keeping with the principle of single point accountability.
3. The ExCo shall:
  - ensure that ESB's values are kept to the forefront of deliberations;
  - act in accordance with Our Code;
  - seek and take into account specialist functional inputs and advices; and
  - act in compliance with ESB's licence obligations and business policies.
4. The functions of the ExCo will not infringe on the independent management and operation of ESB Group's separate, regulated businesses. The ExCo shall conduct its business in a manner to ensure that this remains the case and is in compliance with all applicable licence business separation requirements including, without limitation, maintaining confidentiality of business unit specific information.
5. These Terms of Reference set out the objectives, composition, reporting, administrative arrangements, and review processes for the ExCo.

#### **B. COMPOSITION**

1. ExCo members comprise Executive Directors and the Company Secretary.
2. The Managing Director, ESB Networks DAC is not a member of the ExCo, but shall attend meetings where appropriate, and subject at all times to compliance with relevant provisions of licenses as regards ringfencing requirements.
3. The Chief Executive shall act as the Chair of the Committee and in his/her absence, the Deputy Chief Executive (DCE) or another Executive Director will be nominated to chair.
4. The Company Secretary or their nominee shall act as Secretary of the ExCo.
5. Alternates for Executive Directors may be drawn from the SMT of the relevant Business Unit (BU), notified to the Company Secretary and CEO and agreed in advance of the ExCo meetings.

## C. PROCEEDINGS

1. The ExCo shall meet for scheduled weekly sessions (every month except August) as follows: -
  - Two short meetings per month to brief on latest business developments/provide relevant timely updates (subject to ringfencing);
  - Two longer meetings to advise on or discuss topics such as:
    - People, safety and sustainability
    - Strategy
    - Overall Financial Planning
    - Enterprise Risk
    - Reputation and Stakeholders; and
    - Governance and Compliance.
  - As required outside of these times to consider and advise the Chief Executive on urgent matters requiring ExCo's input.
2. The ExCo will operate at all times in accordance with licence obligations. In particular, the Managing Director, ESB Networks DAC and each of the Executive Directors of Generation Trading and Customer Solutions shall attend and receive materials only as appropriate. They shall absent themselves from meetings when necessary to ensure compliance with applicable licence obligations. See Appendix A for further guidance for managing these situations. The Secretary/nominee of the ExCo shall minute attendance and absence.
3. Meetings may be conducted in person or by video conference (MST), telephone, email, or any other method decided by the CEO.
4. Company Secretary will develop a Forward Planner, with assistance of the Chief Executive's Programme Manager and based on the EFQM framework, to support the business of the ExCo and the timely preparation of papers and reports.

## D. DUTIES

In fulfilling its role, the ExCo will provide input/advice to the Chief Executive in the six major areas detailed in C1 above (with non-exhaustive examples given below):

1. **People:** Succession planning & talent management; staff surveys; internal communications; brand and reputation; HR policy; inclusion & diversity; culture & ethics;
2. **Health Safety & Wellbeing:** Safety leadership; safety performance and progress; safety strategy; safety ethos;
3. **Strategy:** Development of group strategy; progress on strategy; strategy reviews and changes; strategy communications;
4. **Financial Planning:** Consideration of the ESB Group's Integrated Business Planning; review of Group financial performance. For the avoidance of doubt, NIE Networks and ESB Networks DAC Annual Financial Plans (Budgets) are not considered by the ExCo

and are recommended to the ESB Board for approval by their respective independent boards;

5. **Risk Management, Compliance & Governance:** Group Risk Register, Crisis Management Co-ordination, risk appetite, internal control framework;
3. **Reputation & Stakeholders:** Reputation management; Stakeholder approach; Customer Experience (CX) ; approach and content of external communications.
5. **Business Unit Updates:** Updates on significant business unit operational issues (subject at all times to compliance with ring-fencing obligations);
6. **Regulation:** Material regulatory or competition interventions; ESB's regulatory compliance.
7. **Sustainability:** What it means to be a sustainable company; ESG; and Corporate Social Responsibility.
8. **Digital & Innovation:** Digital strategy; cyber security; and Innovation pipeline.

There will be continual assessment by the Company Secretary of whether ring-fencing measures are required in relation to any specific matter in accordance with Section G/guidance provided.

## **E. Out of Scope (Commercially Sensitive)**

The following matters are dealt with corporately by the Chief Executive, the Deputy Chief Executive, the relevant Business Unit Executive Director, Executive Director Group Finance & Commercial and Executive Director, People & Organisation Development (as required).

1. Individual Business Unit Performance
2. Business Unit Updates/Presentations (detailed; specific business only issues)
3. Approval of business specific proposals

## **F. Operations**

### **(1) Committees**

To support the work of the ExCo, the Chief Executive may establish committees and approve their terms of reference, membership and chairs.

Where cross-organisational coordination or significant financial or risk thresholds are involved, certain matters are assigned to a committee to collate, analyse and advise/recommend to the Chief Executive. There are two types of committees:

- **Governance Committees** - permanent, with a formal charter and membership, authority from CE, integrated into processes e.g. Enterprise Risk or Treasury Committee. These Committees can be chaired by the Chief Executive and/or another member of the ExCo.
- **Management Committees** - specific purpose (e.g. Pandemic Co-ordination), reporting to an ExCo member.

The Appendix attached lists (current) Committees of the ExCo.

## **G. Confidentiality**

While it should be avoided to the extent possible, ExCo papers/presentations may contain information that is confidential or commercially sensitive and where this is the case, they should be marked as such and circulation restricted accordingly. All papers are to be sent to the Company Secretariat in the first instance who will ensure circulation is appropriately managed.

Where paper contains confidential or commercially sensitive information relating to a regulated business, then the procedures set out in the Protocol on Disclosure of Commercially Sensitive Information shall apply and this may require that the paper may not be disclosed to certain members of the ExCo or must be redacted as appropriate.

As a general rule and subject to the foregoing, ExCo papers should be made available to personnel outside of the ExCo on a need-to-know basis only.

Where a paper or presentation is being discussed at ExCo level which contains information that is confidential or commercially sensitive, the relevant Executive Director(s) from other regulated business units shall recuse themselves from the relevant part of the meeting, and this shall be minuted by the Committee Secretary.

## **H. Performance Review**

At least once a year, the ExCo will meet to discuss and document its prior year performance. An Action Plan to implement any agreed changes to improve performance will be managed by the Secretary.

## **I. Administration**

Support for ExCo is provided by the Company Secretariat who organise meetings and provide secretariat support, supported by the Programme Manager.

The Company Secretary will review these terms of reference annually.

## **J. Out of session papers and circular resolution**

- (a) More urgent matters can be considered offline (e.g. conducted via email, phone, or an online platform).
- (b) Offline deliberations will be coordinated by the ExCo secretariat, or the Chair if more appropriate. Therefore, authors must alert the Secretariat of proposed out-of-session papers prior to issue.
- (c) If an out-of-session paper is circulated for comment or approval, a non-response by ExCo member within the stated timeframe will be taken as no comment / endorsement of the recommended action.

## **K. Meeting papers/presentations**

- (a) Secretariat will prepare and circulate in advance of each meeting a formal agenda, together with copies of papers relevant to the business of the meeting.
- (b) The ExCo sponsors are responsible for papers arriving on time and in the agreed format.
- (c) The ExCo sponsors of the paper is responsible for quality control of papers (ensuring papers achieve their purpose) and for ensuring they comply with ringfencing obligations.
- (d) Papers will be brief and succinct; state the purpose, describe the anticipated impact on ESB, and its stakeholders; and enable the ExCo to provide advice or make recommendations on a sufficiently informed basis.
- (e) It is essential that all papers are read and considered in advance of the meeting to allow time for discussion and feedback to be provided.

## **L. Minutes and report to ExCo**

- (a) Secretariat will maintain a formal record of meeting actions.
- (b) ExCo Committee Chairs will provide a summary of actions of each Committee meeting to the next ExCo meeting (where possible immediately following the Committee meeting).

## **M. Records**

The Secretariat will maintain records of the business of the ExCo, including meeting papers and action logs, in the ESB Records Management System, in accordance with ESB recordkeeping procedures.

**Approved:** December 2022

**Appendix:**

**Governance Committees in place at the time of approval of these Terms of Reference include:**

- ESB Safety Committee
- Enterprise Risk Forum
- Disclosures Committee
- Treasury Committee
- Policy & Governance Committee

