

**TERMS OF REFERENCE FOR THE MEMBERSHIP SELECTIONS COMMITTEE
IN RESPECT OF THE APPOINTMENT OF MEMBERS
OF NORTHERN IRELAND ENERGY HOLDINGS LIMITED**



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HOLDINGS LIMITED**

Introduction

- 1 Northern Ireland Energy Holdings Limited (the "**Company**") is a company limited by guarantee registered under The Companies (Northern Ireland) Order 1986. As a company limited by guarantee, the Company has no share capital and therefore no shareholders. Individuals appointed as members of the Company ("**Members**") carry out the normal corporate governance role of shareholders but, unlike shareholders, they do not receive dividends, nor do they have any other financial interest in the Company. Membership of the Company is personal.
- 2 The role of Members is twofold. Firstly, Members will have a role in scrutinising the performance of relevant companies within the Company's group. In particular, it will have a role in scrutinising the performance of each of Premier Transmission Financing plc (the "**Issuer**") and Premier Transmission Limited ("**PTL**") against commercial and other targets, including energy industry benchmarks for cost efficiency and quality of service, and in holding the board of directors of the Company (the "**Board**") to account for its management of the Company. In addition, if and when other companies become part of the Company's group, Members will have a role in scrutinising the performance of those other companies against relevant targets and benchmarks. Without prejudice to the foregoing generality, this role would apply to, if they become part of the Company's group, Moyle Interconnector (Financing) plc and Moyle Interconnector Limited and any other energy asset owning or financing vehicle from time to time within the Company's group. Secondly, Members will have a role in ensuring that the Company is managed in line with best practice in corporate governance. Together these are the "**Role of Members**".
- 3 The Company has adopted and published a process for the selection and appointment of Members (the "**Membership Policy**") which sets out clear, objective procedures which will be strictly followed for the appointment of Members.
- 4 The number of Members appointed should be in accordance with the Membership Policy.
- 5 The principal role of the Membership Selections Committee contemplated in these terms of reference, the Company's articles of association (the "**Articles**") and the Membership Policy (as defined in the Articles) is to:
 - 5.1 manage the process for the selection and appointment of Members;
 - 5.2 ensure that in making recommendations to the Board as to persons who would be suitable for admission to membership of the Company it should, before making any such recommendations:
 - (a) consider the broad range of consumer and other stakeholder perspectives that should be reflected in the membership of the Company and the skills and industry experience required of potential Members in order that the Role of Members can be discharged; and
 - (b) ensure that the membership of the Company complies with the Membership Policy; and
 - 5.3 if appropriate, make recommendations to the Board where the Membership Selections Committee concludes that the Membership Policy requires modification in any respect.

Proceedings of the Membership Selections Committee

- 6 The Membership Selections Committee shall meet in such place and at such frequency and times as the Chairman of the Membership Selections Committee (the "**Panel Chairman**") may determine. The members of the Membership Selections Committee shall appoint the

Panel Chairman from time to time from amongst their number, it being acknowledged that if a person who was Panel Chairman ceases to be a member of the committee then he shall forthwith cease to be the Panel Chairman, and the remaining members of the committee shall select a new Panel Chairman from amongst their number.

- 7 A meeting of the Membership Selections Committee may be convened by the Panel Chairman or by the Secretary. Subject to paragraph 8 below, the quorum for any meeting of the Membership Selections Committee shall be 3 members of the committee, provided that this shall include the Panel Chairman.
- 8 In the event that the number of members of the Membership Selections Committee shall fall below 3, the quorum for transaction of business by the committee shall be such number of members of the committee as there are from time to time.
- 9 In the case of an equality of votes at a meeting of the Membership Selections Committee, the Panel Chairman shall be entitled to an additional or casting vote.
- 10 The business to be conducted at any meeting of the Membership Selections Committee shall be fixed by the Panel Chairman.
- 11 Meetings of the Membership Selections Committee may be held in person, by a telephone conference of the members of the Membership Selections Committee or otherwise in such manner and by such means as the Panel Chairman shall determine.
- 12 The Secretary shall maintain a written record of the proceedings and decisions of the Membership Selections Committee in respect of matters relating to the Company as required by the Membership Policy.
- 13 The Panel Chairman shall (if required by the Board) attend the annual general meeting of the Company and any meeting of the membership of the Company to answer questions on the Membership Policy.
- 14 The Panel Chairman may direct the Secretary to employ the services of such external legal or other professional advisors, or otherwise commission such reports or surveys, as is deemed necessary to fulfil the responsibilities of the Membership Selections Committee. This shall be funded from within an annual budget approved by the Board for the general administration of the affairs of the Membership Selections Committee in relation to the Company and its subsidiaries.
- 15 The reasonable expenses of the Panel Chairman and the Membership Selections Committee in connection with discharging their role shall be reimbursed by the Company.

