

2021 Pension Benefit Reform Package

Date: 24 February 2021

Preamble and Overview

1. This document records the package of policy measures introduced across EDF in the UK¹ (the Company) to reform pension benefits for employees. These measures will be incorporated into updated HR policy documents. The collective agreement on pension benefits will be extended to 30 June 2021 for employees that joined the Company prior to 1 January 2021 and will then be superseded by this document for all employees.
2. On 30 June 2021, the Company's Defined Benefit (DB) pension schemes will close to future accrual (subject to Clause 3 below). With effect from 1 July 2021 the affected employees will join the Company's new Defined Contribution (DC) pension plan (myRetirement Plan) for future service benefits instead, unless they elect not to do so. The only exceptions will be employees with protections, defined as:
 - a. Protected Persons²; and
 - b. Employees who joined the Electricity Supply Pension Scheme (ESPS) before the "No Detriment" Rule³ in their relevant Group was amended to exclude future service benefit protection for new entrants.

Employees in these two categories will retain future final salary benefit accrual on the same basis they enjoyed prior to 1 July 2021, unless they choose otherwise.
3. Alternatively, the Company will allow affected employees to defer cessation of DB accrual until 31 December 2021, with reduced transition payments.
4. It has been a great achievement that partnership working between the Company, the Trade Unions and the DB Scheme Trustees (the "Trustees") has succeeded in maintaining open DB Schemes for so long. It is sad that the business context, combined with the extraordinary pressures on DB pension costs and risks, has brought the Company to a point from which it would not be responsible to continue to allow DB liabilities to accumulate: the priority and

¹ EDF in the UK consists of the following employing entities: EDF Energy Limited; EDF Energy Customers Limited; EDF Energy Renewables Limited; EDF EN Services UK Limited; and EDF Energy Nuclear Generation Limited.

² Under the Electricity (Protected Persons) Pensions (England & Wales or Scotland) Regulations 1990.

³ This group includes: former members of the Magnox Electric ESPS Group who transferred to BEGG in October 1996 and whose membership of the Magnox Electric ESPS Group had commenced on or before 1 April 1993; former members of the Scottish Nuclear Pension Scheme who transferred to BEGG in October 1999 and whose membership of the Scottish Nuclear Pension Scheme had commenced on or before 1 April 1993 ; and EEGS member employees who joined the legacy London Electricity ESPS Group before 1 January 1992 or who previously joined the PowerGen, SWEB, Eastern (TXU) or SEEBOARD ESPS Groups.

focus for managing the DB Schemes must be on securing the benefits that have already been accrued. The Company intends to continue working collaboratively with the Trustees to achieve this fundamental goal.

5. myRetirement Plan will provide a number of contribution tiers from which employees may choose. They may change their contribution tier at any time, subject to the conditions within this policy document.
6. A transition payment will be made to each employee who joined the DB schemes prior to 1 January 2021, who have remained in the scheme since then and whose DB accrual ceases on 30 June 2021 as a consequence of these reforms, as set out below. Where employees choose under Clause 3 to continue to accrue benefits until 31 December 2021, they will receive the minimum transition payment on a fixed basis.
7. In addition, new and protected redundancy payment arrangements will be introduced for all employees, with the aim of providing reassurance and stability as the Company enters a period of unprecedented change and upheaval.
8. This package is subject to the statutory tax and other rules in place at the time of their application; e.g. in respect of tax relief on pension contributions, salary sacrifice, tax-free cash on taking pension benefits, ages at which pension benefits may be taken and tax relief on severance payments. The Company, the Trustees and myRetirement Plan would be obliged to comply with any changes to these statutory rules.
9. This package of measures has been established through an extensive process of engagement with employees⁴, Trade Unions⁵ and Trustees⁶.
10. The Trade Unions have expressed the aspiration that, so far as possible, the Company retains its major UK businesses in the future and maintains as much UK-based direct employment as possible. They have co-operated in the reform of pension benefits partly with a view to supporting these aspirations. The Company is committed to ongoing discussion with Trade Union National Officers about business development and will listen and respond to Trade Union inputs in good faith as part of the decision-making process. The Company's purpose is to help Britain achieve Net Zero⁷, through generating low carbon electricity from wind, nuclear and solar. This involves a major period of transformation. It means planning to grow in some areas (e.g. new nuclear, renewables, storage, electric vehicles and decommissioning) and to wind down activity in other areas (e.g. coal generation and generation from the AGR nuclear stations). In this context, the Trade Unions accept that acquisitions and disposals are a normal feature of business life and that they wish to support positive business decisions that support the Company in meeting its purpose and in providing UK employment.⁸

⁴ A Statutory Consultation process with employees was conducted between 28 November 2020 and 31 January 2021.

⁵ GMB, Prospect, Unison and Unite.

⁶ Trustees of the EDF Energy Generation and Supply Group of the ESPS (EEGS), British Energy Generation Group of the ESPS (BEGG), and EDF Energy Pension Scheme (EEPS) (the DB Schemes)

⁷ Net Zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. We reach Net Zero when the amount we add is no more than the amount taken away. The UK is the world's first State to set a target of being net zero by 2050.

⁸ For example, the Trade Unions accept that the AGR sites, including the relevant employees, are due to be transferred to Magnox after defueling.

Closure of DB Pension Schemes to Future Accrual

11. The Company's pension strategy is to provide a sustainable, affordable, high-quality and flexible pension scheme, available to all employees. The intention to deliver this strategy through myRetirement Plan is shared with the Trade Unions. The features of myRetirement Plan are summarised in Appendix 1.
12. With effect from 1 January 2021, new employee entrants to the Company no longer have the option of joining the Career Average Revalued Earnings (CARE) sections or the DC Only sections of the existing DB Schemes. Instead they will have the choice of joining myRetirement Plan.
13. After 30 June 2021, employees will no longer accrue benefits in the DB Schemes⁹. For the period 1 April 2021 to 30 June 2021 accrual is only available on the standard (and not the accelerated) accrual rates for an employee's category of membership. The benefits built up will be protected in accordance with the law. DC or AVC benefits held in the DB Schemes will also continue to be invested but no further contributions will be made to these funds¹⁰ after the June 2021 contributions have been invested. Employees ceasing accrual in the DB Schemes with two or more years pensionable service will become deferred members. The impact of the change from being an active member to becoming a deferred member, together with the policy measures being introduced to support this change, are set out in Appendix 2.
14. Employees ceasing accrual in the DB schemes with less than two years' service but more than three months' service¹¹ are not entitled to a deferred pension in the scheme and will instead have the choice between:
 - transferring the value of their notional pension benefit to myRetirement Plan;
 - transferring the value of their notional pension benefit to another Registered Pension Scheme; or
 - receiving a refund of their contributions (or equivalent under the Salary Sacrifice arrangement), less tax and NI.
15. Employees with protections are the only exceptions to the policy of closing the DB Schemes to future accrual. They will have the option of continuing to accrue DB benefits, subject to the pensionable earnings threshold and associated Non-Pensionability Agreement (NPA) framework which will continue to apply.¹² Such employees will also continue to have the benefit of DC top-up arrangements in respect of pensionable basic salary above the DB pensionable salary threshold, as well as the option of making Additional Voluntary Contributions (AVCs) and/or additional DC contributions under the rules of the DB Schemes. Employees falling into this category do not need to take any action to ensure ongoing DB accrual but they will need to make an active choice if they wish to cease accruing DB benefits and either joining myRetirement Plan or electing not to do so.

⁹ This date will be extended to 31 December 2021 for those employees who choose to continue accrual under Clause 3.

¹⁰ Employees may be able to transfer these funds to myRetirement Plan at a later date. Employees may also be able to transfer funds from their occupational pensions with previous employers, enabling them to consolidate their pension savings into myRetirement Plan.

¹¹ Employees with less than 3 months' service will have a refund of their contributions (or equivalent under the Salary Sacrifice arrangement), less tax and NI.

¹² This threshold is pegged to NJC Pay Spine Point 35, which is £75,050 with effect from 1 April 2021 and reviewed annually. DB pensionable salary progression beyond this point is subject to an annual limit of 1%.

16. From 1 July 2021, employees whose DB benefits were closed to future accrual on 30 June 2021¹³ will be enrolled into myRetirement Plan.
17. Employees who receive backdated salary increases, which are effective prior to the date they have ceased accruing benefits in their DB scheme, will have their salary increase reflected in the pensionable salary used to calculate their deferred DB benefits. Any DC top-up payments in respect of employer and employee contributions arising from any backdated pay increase, will be paid into their myRetirement Plan account.

myRetirement Plan and Transition Payments

18. myRetirement Plan will be provided and administered by Legal & General. The myRetirement Plan provider will be reviewed at appropriate intervals. Our intention is that the default investment strategy will take a responsible Environmental, Social and Governance (ESG) focused investment approach, aligned to the Company's mission to help Britain achieve Net Zero.
19. A Supervisory Board will be introduced to ensure that the Company, the Trade Unions and employees have appropriate roles in the governance of myRetirement Plan. The Terms of Reference and Administrative Arrangements of the Supervisory Board are set out in Appendix 3. They are variable at the discretion of the Company, subject to consultation with the Trade Unions.
20. From 1 July 2021, employees whose DB benefits were closed to future accrual on 30 June 2021¹⁴ will be enrolled into myRetirement Plan. Pension contributions will be made on a monthly basis initially into the default investment fund administered by Legal & General at the default level of 10% of pensionable salary by the Company and 5% of pensionable salary by the employee via Salary Sacrifice¹⁵. However, prior to 1 July 2021, the employee will be able to choose other options instead, including:
 - to elect for a different contribution tier with the corresponding transition payment;
 - to receive the transition payment as an initial payment into myRetirement Plan rather than as a cash payment;
 - to elect to continue accruing DB benefits until 31 December 2021 and receive the minimum transition payment;or
 - not to join myRetirement Plan on this occasion¹⁶
21. After the employee's first month of contributions have been received and invested by Legal & General, irrespective of which contribution tier they choose, they will be able to self-select investment strategies other than the default fund, by accessing their online account on the Legal & General portal.
22. From the first day of joining myRetirement Plan, employees have a choice between the following contribution tiers. These choices will also be open to new employee entrants in the future, subject to a two-year waiting period before they have the option to choose Tier 1 or Tier 2.

¹³ Employees who choose to extend their DB accrual under Clause 3 will be enrolled on 1 January 2022, following cessation of accrual on 31 December 2021.

¹⁴ Or 31 December 2021 for employees who choose to extend accrual under Clause 3

¹⁵ Unless they make an active choice to opt out of the Salary Sacrifice arrangement.

¹⁶ A decision not to participate in myRetirement Plan will be subject to statutory auto-enrolment rules.

Tier	Employer Contribution Rate as % of annual pensionable salary	Employee Contribution Rate as % of annual pensionable salary
1	15	7.5
2	12	6
3 DEFAULT	10	5
4	8	4
5 ¹⁷	6	3

23. Each employee whose DB accrual is ceasing on 30 June 2021 as a result of this reform package, will have until 15 June 2021 to make their initial myRetirement Plan contribution rate and Transition Payment choices. They will also have the choice of deferring their cessation of DB accrual until 31 December 2021: in the absence of a positive decision to defer within the 15 June timescale, the default position will be cessation of DB accrual on 30 June 2021.
24. Employees whose DB accrual ceases on 30 June 2021 will receive Transition Payments. These will be calculated for each affected employee as 15% of their annualised Defined Benefit pensionable pay (pro-rated for employees working part-time), at 30 June 2021, subject to a minimum and a maximum sum¹⁸, as set out in the table below. Transition Payments will be made in the August 2021 payroll.

Contribution Tier Chosen	Minimum Transition Payment (Collar)	Maximum Transition Payment (Cap)
Tier 1 or 2	£2,500	£15,000
Tiers 3 to 5	£5,000	£15,000

25. Employees may elect to change their contribution tier at any time, except that:
- those who receive a Transition Payment which exceeds 15% of their pensionable salary, will not have the option of “trading up” from Tiers 3, 4 or 5 to Tiers 1 or 2 until 1 July 2023 (movement between Tiers 1 and 2 is permitted at any time; likewise movement between Tiers 3 to 5 is permitted at any time); and
 - those who are still within their two-year new entrant waiting period will not have the option of trading up to Tier 1 or Tier 2 until their two-year employment anniversary has expired.
26. Employees who choose to continue DB accrual until 31 December 2021 under Clause 3 will be entitled to a fixed transition payment of £2,500 which will be paid to employees in February 2022. These members may move between contribution Tiers at any time, without being subject to a waiting period.
27. Employees eligible for a Transition Payment will have the option to pay it in full into their myRetirement Plan account. Apart from giving their myRetirement Plan savings an early boost, this may be a highly tax efficient way of receiving the payment. In addition, Transition Payments made into myRetirement Plan will be enhanced by 10% by the Company.
28. Under the Pensions Agreement which now expires on 30 June 2021:

¹⁷ Tier 5 provides the statutory minimum total contribution, although the corresponding statutory allocation is 4% employer and 5% employee.

¹⁸ New employee entrants from 1 January 2021 and employees who are not active members of one of the DB Schemes prior to 1 January 2021 will not be eligible for transition payments.

- a. employees who elect to withdraw from the DB Schemes because their accrued pension benefits equal or exceed the Lifetime Allowance are currently provided with a salary supplement equal to 12% of their basic salary. This option will remain open for all employees with protection (as explained in Clause 2) to decide whether they wish to take the salary supplement. Such employees have until 31 December 2021 to elect to withdraw from the DB schemes and apply for the cash supplement¹⁹. After this date, the salary supplement option will no longer be available;
- b. The DC top-up acceleration scheme²⁰ was introduced under which employer DC contributions were doubled in respect of salary above the employee's salary threshold. Any employee who has outstanding accelerated employer contributions due under this scheme, will receive an employer contribution into myRetirement Plan equal to the outstanding employer contributions under the DC acceleration scheme at the date the employees' DB accrual ceases.²¹ This will be in addition to their Transition Payment.
- c. Offset payments apply to employees who were above the threshold on 1 January 2016 but who are at or below the threshold at the date they begin to draw their benefits or become deferred members as a consequence of redundancy. Offset payments will now be applied, where applicable, to employees whose DB accrual ceases on 30 June 2021 or 31 December 2021 as a result of these pension reforms. The offset payment will involve the Company making an additional one-off payment of 12% of the difference between their pensionable basic salary and the threshold on 1 January 2016 (revalued by CPI on an annual basis for future years). An employee who is eligible for an offset payment may elect to receive it either as taxable cash or in the form of an additional employer contribution to myRetirement Plan.

29. An employee's Pensionable pay in myRetirement Plan will include:

- Basic salary with no pensionable salary threshold or caps; and
- All additional pensionable pay elements as apply under any of the existing Defined Benefit Schemes

Pension contributions are based on gross pay before any deductions are made for any other benefit provided through salary sacrifice arrangements. Other elements of pay that are currently not treated as pensionable in the Defined Benefit Schemes, e.g. most overtime, bonus payments or temporary shift allowances, will also not be pensionable in the new Defined Contribution arrangement.

30. The policy on contributions to myRetirement Plan while members are on long term absence, including Maternity Leave, is set out in Appendix 4.

¹⁹ Employees with protection who are eligible for the salary supplement option will not be eligible for Transition Payments.

²⁰ DC acceleration was limited to the later of: a 5-year period from the date on which the employee first exceeded the threshold under the Agreement; and the date on which the employee's DC arrangement had received employer contributions totalling £3,000. Employees with less than 4 years' service had the option of deferring the commencement of their acceleration scheme period until they had 4 years' service.

²¹ Additions to Transition Payments arising from this provision will not be eligible for the 10% enhancement.

Redundancy Terms

31. EDF in the UK has historically operated a range of discretionary redundancy payment practices. In the context of the major period of transformation now facing the Company and to facilitate a just transition to the future Net Zero world, reforms will be introduced to these practices to make them more certain, more transparent and more consistent.

New Redundancy Payment Terms

32. The following new redundancy terms will be introduced to apply to an employee in the event of redundancy.

Completed Years of Service	Redundancy Payments (expressed in months' pensionable pay)
Up to 2	3
2	6
3	6
4	6
5	6
6	6
7	7
8	8
9	9
10	10
11	11
12 and over	12

33. These new terms will be applicable to new employee entrants to the Company with effect from 1 January 2021. They will also be available as an option in the event of redundancy from 1 July 2021 to individuals employed as at 31 December 2020.

Protected Redundancy Payment Terms

34. There are two historic redundancy payment arrangements which have formed guidelines for Company decisions on discretionary redundancy payments: the BE arrangements and the EDF Energy arrangements. The BE arrangements have generally applied to employees whose original employing entity within Company was British Energy or EDF Energy Nuclear Generation Limited. The EDF Energy arrangements have generally applied to employees with a different original employing entity within the Company.

35. Both of these arrangements have included various tapering measures, including: offsetting of redundancy payments against any right to early undiscounted accrued pension benefits; reductions for employees aged 55 or over; and retirement tapering, reducing redundancy payments on the basis of proximity to Average Pension Age.

36. The BE arrangements have included the option of "early bird" payments on top of standard redundancy payments, intended to provide the flexibility to provide enhanced payments in circumstances in which an employee left the business earlier than provided for in the associated business cases. These "early bird" payments were intended to be self-financing on this basis.

37. The following Protected Redundancy Terms will apply in the event of redundancy on or after 1 July 2021 to individuals employed as at 31 December 2020.

38. For employees in this group whose original employing entity within the Company was British Energy or EDF Energy Nuclear Generation Limited, the following terms will be available in the event of redundancy, as an alternative to the new terms.

British Energy Terms	
Full years' service	Redundancy Payment (months' pensionable pay ²²)
Up to 2	0
2-3	4
4-5	5
6-7	7
8-9	7
10-11	9
12-13	9
14-15	11
16-17	12
18-19	14
20-21	15
22-23	17
24 and over	18

39. For all other employees, the following terms will be available in the event of redundancy, as an alternative to the new terms.

Full Years' Service	Redundancy Payment (Weeks' pensionable Pay) ²³
0	10
1	14
2	18
3	22
4	26
5	30
6	34
7	38
8	42
9	46
10	50
11	54
12	58
13	62
14	66
15	70
16	74
17 and over	78

²² The definition of a month's pensionable pay for severance purposes is the employee's monthly rate of basic pay (up to the Scheme Earnings Cap) plus any pensionable pay elements immediately prior to redundancy – if part time, this will be the part time equivalents. The monthly rate of pay is defined as annual pay divided by 12.

²³ A week's pensionable pay for severance purposes is defined as the employee's weekly rate of basic pay (up to the Scheme Earnings Cap) plus any pensionable pay elements immediately prior to redundancy – if part-time this will be the part-time equivalents. Weekly rate of pay is calculated as annual pay divided by 365 multiplied by 7.

Generic Provisions

40. The redundancy payment terms applicable to an employee will be reflected in their contracts of employment, on either an individual or a collective basis.
41. Redundancy payments will be inclusive of Statutory Redundancy Payments and they will be subject to the employee waiving any outstanding periods of notice and entering into a Settlement Agreement with the Company²⁴.
42. Redundancy payments will not be subject to: tapering or claw back with respect to normal pension age; or to offsetting against the cost of providing early undiscounted accrued pension benefits for employees with a right under Scheme Rules to these benefits.

²⁴ The Company regards giving due notice as best practice when the employment relationship comes to an end, rather than making payments in lieu of notice.

Appendix 1: Key Features of myRetirement Plan

Mastertrust introduction

The Legal & General Mastertrust is the pension scheme that EDF has chosen for employees. The Legal & General Mastertrust was launched in October 2011 and has since grown to over 1 million members across 162 participating employers. For more details see legalandgeneral.com/workplace/mastertrust

The scheme is run by independent trustees who are legally responsible for making sure that the Mastertrust's costs and charges give members good value for money.

Contribution rates

The Company has proposed a tiered set of employee and employer contribution rates with the default being 5% employee contributions and 10% employer contributions. Contributions will be made via salary sacrifice unless the employee chooses to opt out of the salary sacrifice arrangement.

Death benefits

The beneficiaries of a member who dies in service, while a member of myRetirement Plan will receive a lump sum of eight times their pensionable basic salary at the date of death, subject to any underwriting restrictions in place. In addition, the beneficiaries will receive the value of the employee's myRetirement Plan account.

Ill-health benefits

If an employee becomes unable to work due to ill-health, EDF will offer a Group Income Protection policy, to run alongside myRetirement Plan, to provide benefits for a limited period being up to 5 years at half pay, complementing any statutory or Company sick pay to which the employee may be entitled. If at the end of the 5-year period an employee is unable to return to work, a lump sum of one times annual salary will then be paid.

Investments

There are a wide range of investments available within myRetirement Plan and on joining myRetirement Plan pension savings will be invested into the default Pathway Funds. Employees will be able to choose their own investment strategy if they wish.

Options at retirement

Employees will transfer to myRetirement Plan with their existing Normal Pension Age in the existing schemes (or age 65 for CARE members) but employees can amend this according to their own plans. On retirement, employees will have the following flexible options;

- Take their whole pension savings in one go
 - Take it in a series of cash lump sums
 - Get a regular income
 - Flexible income

Appendix 2: The Impact of the Change from Active to Deferred member status

1. The intention is that employees who cease accruing benefits in the DB Schemes and transition to myRetirement Plan are not detrimentally impacted by any unintended consequences arising from ceasing being an active member and becoming a deferred member of the DB schemes. The Company will work with the Trustees of the DB schemes to identify any potential unintended consequences resulting in detrimental treatment e.g. differences in qualification for Spouse's or Children's benefits and will seek to execute the necessary Rule changes where required.
2. Benefits built up in the DB Schemes will be based on a member's DB pensionable salary (as defined in the DB Scheme rules) and service, calculated at the date their DB accrual ceases, rather than the day the member leaves the Company or retires. This pension would then be increased to retirement under the Rules of the member's DB Scheme, growing broadly in line with inflation, subject to any applicable cap. If an employee is due a retrospective pensionable salary increase effective from a date prior to their DB accrual cessation date, DB benefits will be based on the retrospectively increased level of pensionable salary, with the relevant additional employer and employee contributions being made into the relevant DB fund. Any related DC top up adjustment will be payable to myRetirement Plan.
3. Death-in-Service Benefits in relation to active DB members include a lump sum paid to the employee's beneficiaries – typically 4 times pensionable salary. This benefit would be replaced for those who are members of myRetirement Plan by a death-in-service payment of 8 times pensionable basic salary. Employees who choose not to join myRetirement Plan will have a death-in-service benefit of 4 times basic salary.
4. Death-in-Service Benefits for active DB members include a spouse's and/or children's pension. This will continue to apply to deferred DB members except that the benefit would be based on accrued pension as at the date their DB accrual ceases (increased broadly in line with inflation to the date of death) rather than projected pension to Normal Pension Age (NPA).
5. Ill-Health Early Retirement Benefits for active DB members may be paid if ill-health prevents them from remaining in employment before NPA. For deferred DB members, the benefit would work in the same way but would be based on accrued benefits to the date their DB accrual ceases (increased broadly in line with inflation to the date of Ill-Health Early Retirement), rather than accrued plus projected benefits to NPA, at the date of Ill-Health Early Retirement. On joining myRetirement Plan, the member would also be eligible for Group Income Protection which runs alongside myRetirement Plan, which provides up to 5 years at half pay plus a lump sum of 1 times salary at the end of the 5-year period.
6. Active Members of EEGS, and Active Members of BEGG who joined the scheme prior to 2001, have an entitlement in the event of redundancy to accrued unreduced pension benefits from the age of 50 (or from the date of redundancy if aged over 50 at this date). Without intervention, this benefit would be lost when an active DB member becomes a deferred DB member. This would be an unintended consequence of our pension benefit reforms. Rule changes will be introduced into the EEGS and BEGG Schemes with effect from 1 July 2021 to restore this entitlement for deferred DB member employees. Again, the benefit would be based on accrued benefits as the date DB accrual ceases (increased broadly in line with inflation to the date of redundancy) rather than accrued benefits at the date of redundancy.

7. On becoming a deferred DB member, legacy EEGS ESPS members and legacy BEGG ESPS members who joined prior to 1 May 2007 (in BEGG or now in EEGS) are able, under Rule 29, to round up service at the date of becoming a deferred member to the next whole number of years' service on payment of the relevant employee and employer contributions. This option is not available to any other members of the DB schemes who will have their deferred pension calculated using the number of years and days service to the date of becoming a deferred DB member.

8. All Added Years contracts for employees without protection will come to an end on the date their DB accrual ceases. Pensionable service at the date of deferment will be calculated with any applicable Rule 29 enhancements, and any Added Years purchased to the date of deferment will then be added to the total.

Appendix 3: myRetirement Plan Supervisory Board Proposed Terms of Reference and Administrative Arrangements

Composition of the myRetirement Plan Supervisory Board (SB)

1. The myRetirement Plan SB consists of: 2 persons appointed by EDF in addition to the Chair and 6 persons selected from the membership of the myRetirement Plan. The myRetirement Plan SB will have formal Terms of Reference and be supported by a Secretary.

Functions of the myRetirement Plan SB

2. The functions of the myRetirement Plan SB are to make recommendations and to provide advice to the Company, based on:
 - Seeking the best achievable member experience
 - Monitoring Value for Money (VFM)
 - Reviewing provider performance and assessing the need for any changes
 - Monitoring DC market developments
 - Informing pensions communications and retirement processes
 - Reviewing service level performance and Management Information statistics (e.g. net promoter scores)
 - Monitoring investment performance
 - Informing changes in the selection of investment options available to members, including the default option
 - Receiving employer feedback on the operation of myRetirement Plan
 - Receiving member feedback
 - Reviewing pension options offered at retirement
 - Reviewing NPP costs covered by contributions
 - Receiving presentations from Legal & General, Pensions Operations and others
 - Informing feedback to the Master Trust through its various engagement channels
 - Providing (and receiving) regular feedback to (and from) the TUPF on the operation of myRetirement Plan.

Administrative Arrangements

3. The myRetirement Plan SB will be chaired by the Company Pensions Director.
4. Member representatives will be self-nominated and seconded by 5 fellow members. A panel comprising 2 Company-nominated SB members and 2 Trade Union nominees will then select the member representatives from a shortlist, with selection criteria to include skills, experience, commitment, diversity and representation.

5. Terms of office for SB members will be three years, on a renewable basis taking into account the need for appropriate refreshment.
6. SB members will not be paid for their work, but the Company will enable appropriate time off from other duties, as needed to perform their role effectively, including undertaking appropriate training.
7. Substitutes may not attend for members who cannot attend a meeting.
8. The Secretariat will be provided by the Company.
9. The myRetirement Plan SB will meet on a quarterly basis. Special meetings will be held at the discretion of the Chair, as and when requested by any party. Meetings may be conducted digitally where this is the most cost-effective option.
10. A meeting will be quorate if at least one Company appointed member and two member nominated members are in attendance.
11. The myRetirement Plan SB will issue appropriate communications to the myRetirement Plan membership after each meeting and otherwise as felt necessary.

Appendix 4: Defined Contributions into myRetirement Plan during Long Term Absence

Maternity Leave

During Maternity Leave - whether Ordinary Maternity Leave (the first 26 weeks) or Additional Maternity Leave (up to a further 26 weeks) - the Company will continue to pay employer and employee contributions into myRetirement Plan at the rates applying immediately before the employee commenced her period of maternity leave. These contributions will continue at the pre-Maternity Leave rate and the Pre-Maternity Leave salary, regardless of whether the employee is receiving full pay, reduced pay, statutory maternity pay or nil pay during Maternity Leave.

Adoption Leave

During Adoption Leave - whether Ordinary Adoption Leave (the first 26 weeks) or Additional Adoption Leave (up to a further 26 weeks) - the Company will continue to pay employer and any employee contributions that were previously paid into myRetirement Plan at the rate at which these were being made immediately before the employee commenced his or her period of Adoption Leave. These contributions will continue at the pre-Adoption Leave rate and pre-Adoption Leave salary, regardless of whether the employee is receiving full pay, half pay, statutory adoption pay or nil pay during Adoption Leave.

Paternity Leave

During any unpaid 1-week period of Paternity Leave, the Company will continue to pay employer and any employee contributions that were previously paid into myRetirement Plan under salary sacrifice, at the rate at which these were being made immediately before the employee commenced his period of unpaid Paternity Leave.

Sickness Absence

Where an employee is receiving reduced or nil pay during sickness absence, the Company will continue to pay employer and employee contributions into myRetirement Plan at the rates applying immediately before the employee commenced his or her period of reduced or nil pay. These contributions will continue at the pre-sickness absence rate and salary until the end of the absence period, or until Group Income Protection arrangements are applied if earlier.

Members of myRetirement Plan will be eligible for Group Income Protection, which provides up to 5 years at half pay plus a lump sum of 1 times salary at the end of the 5-year period.

Furlough

Where an employee is furloughed under a Government scheme (e.g. furlough schemes introduced during the covid 19 pandemic), the Company will continue to pay employer and employee contributions into myRetirement Plan during the furlough period at the rates applying immediately before the furlough period commenced.

Generic Provisions

If the employee's pension contributions are not paid by the employer under the salary sacrifice arrangement, employer contributions based on pay received will continue to be paid by the employer during paid Maternity, Adoption, Paternity, Sickness leave or Furlough. Employee contributions will also continue to be deducted from any pay received during these periods (provided this is more than any statutory pay received).

Parental Leave

During any period of unpaid Parental Leave, employer and employee contributions will not be paid into myRetirement Plan.