

**PENNON GROUP PLC
(the “Company”)**

**HEALTH AND SAFETY COMMITTEE (the “Committee”)
TERMS OF REFERENCE**

1. COMPOSITION

1.1 Membership

- Members will be appointed by the Board, on the recommendation of the Nomination Committee, in accordance with the Company’s articles of association.
- The Committee will comprise of at least three members.

1.2 Committee Chair

- Appointed by the Board.
- In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

1.3. Secretary

The Company Secretary or nominee shall act as the Secretary of the Committee.

2. DUTIES AND RESPONSIBILITIES

2.1 The Committee is a “review and challenge” body to support the Board and Executive in relation to all matters connected to Health and Safety and to the extent to how the Group’s Health and Safety strategy is being deployed, including resilience and process safety.

2.2 The Committee shall keep under review the extent and effectiveness of the Group’s reporting of health and safety performance, asset health and resilience, as well as comparisons to external benchmarks.

3. REPORTING

3.1 To the Board

- The Committee Chair shall report formally to the Board on the Committee’s proceedings after each meeting on all matters within its duties and responsibilities, to ensure that the Board is able to discharge its duties in accordance with health and safety law.
- The Committee will advise the Audit Committee of any material non-financial risks identified and any business ethics issues identified related to HSSA, which are relevant to the role of the Audit Committee.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

3.2 Annual Report

- The Committee shall compile a report to shareholders on its activities to be included in the Company’s Annual Report.

4. OTHER MATTERS

The Committee shall:

4.1 Evaluation

The Committee shall, at least once a year, review its own performance, constitution, and terms of reference to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board for approval.

4.2 Training

Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

4.3 Investigations

Oversee any investigation of activities which are within its terms of reference and act as a court of the last resort.

4.4 Best practice

Give due consideration to laws, regulations and any published guidelines or recommendations including but not limited to the provisions of the UK Corporate Governance Code, the requirements of the FCA Listing, Prospectus and Disclosure Guidance and Transparency Rules as well as guidelines published by relevant institutional investors and representative bodies, and any other applicable rules as appropriate.

4.5 Committees

Work and liaise as necessary with all other Board Committees.

4.6 Projects

Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

4.7 Authority

The Committee is authorised by the Board to:

- seek any information it requires from any employee of the Company in order to perform its duties;
- obtain, at the Company's expense, any outside legal or other professional advice on any matter within its terms of reference;
- call any employee to be questioned at a meeting of the Committee as and when required; and
- gain unrestricted access to all books and records of the Company.

5. MEETING ARRANGEMENTS

5.1 Attendance

- Only members of the Committee have the right to attend meetings.

- Other individuals may be invited to attend from time to time, including the Group Chief Executive Officer, the Group Chief People Officer, the Health and Safety Director and any external advisers, for all or part of any meeting, as and when appropriate.
- Any other member of the Board may attend all or part of a meeting with the prior approval of the Committee Chair.

5.2 Meetings

- 5.2.1 The quorum necessary for the transaction of the business shall be two members, provided at least one is an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.2.2 The Committee shall meet at least twice a year in person or by telephone or video conference and at such other times as the Chair of the Committee shall require.
- 5.2.3 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair of the Committee.
- 5.2.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non - executive directors, no later than five working days before the date of the meeting unless agreed otherwise in advance. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time and in a timely manner to enable full and proper consideration to be given to the issues.
- 5.2.5 The Secretary will minute the proceedings of each meeting, which shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless it would be inappropriate to do so.
- 5.2.6 Conflicts of interest must be declared by members at the beginning of meetings and the Secretary shall record any such declaration in the minutes. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly, has a conflict of interest, that member shall not be permitted to vote at the meeting.

5.3 Resolutions and approvals

- 5.3.1 Committee resolutions shall be passed by the absolute majority of votes cast. In the event of equality of votes, the Committee Chair shall have the casting vote (except where he/she is not permitted to vote).
- 5.3.2 Approvals may be taken in written form (including email), or via telephone or video conference.
- 5.3.3 Approvals by email must be included in the minutes of the next meeting of the Committee.

5.4 Annual General Meeting

The Committee Chair shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's area of responsibility.

These terms of reference were approved by the Board of Pennon Group plc on 16th November 2023.