

Stakeholder Advisory Panel Draft Terms of Reference

National Grid Gas Distribution (NGGD) is committed to building strong and lasting relationships and genuine communication with a wide variety of stakeholder and customer groups. We believe these relationships are of advantage to all parties and will help to improve our performance.

We own and operate four of the eight gas distribution networks in the UK and our operations have the potential to impact some 11 million gas consumers, through the charges we make and the services we provide. We aim to understand the views of our stakeholders and customers, to:

- ensure they have a good understanding of us and our business;
- understand their views more fully and the outputs they require from us; and
- act on their views to improve our performance.

Purpose statement

The Stakeholder Advisory Panel (**the Panel**) will ensure our business and practices properly take into account the interests, aspirations and concerns of all stakeholders and customers.

Aims and aspirations

The objective of the Panel is to allow our Executive to draw on the experience of eminent and diverse senior advisors outside of National Grid to discuss key stakeholder issues and their impact on the business. The Panel will have an opportunity to contribute to and influence the debate with our Executive team and provide a strong voice for our stakeholders, helping to shape our business strategy.

Specifically it will:

- Promote a better understanding of the needs of all stakeholders and customers
- Develop an awareness of the constraints we face in meeting stakeholder and customer aspirations and to work together to overcome these
- Monitor our performance and make a contribution through constructive suggestions that will encourage continuing improvement and innovation
- Provide constructive challenge to our policies and procedures that apply to customers and stakeholders
- Monitor progress made on embedding stakeholder engagement into our internal programmes and practices
- Provide scrutiny and in-depth feedback on our stakeholder performance (including our stakeholder strategy, how we identify and engage with our stakeholders, and how we are acting on feedback)
- Offer crucial insights and act as a sounding board for new ideas
- Ensure our decisions and business practices properly take into account the interests, aspirations and concerns of stakeholders.

Composition

The Panel Members will provide a strong voice on behalf of our stakeholders and customers and will help us shape our business. The Panel will be made up of eminent individuals representing the diversity of our stakeholders and customers. A maximum of 11 will be appointed at any one time.

The Panel will at least consist of:

- Chair, who shall be independent of any National Grid company
- Deputy Chair, who shall be independent of any National Grid company

- Head of Commercial, NGGD
- Head of Customer Operations, NGGD
- Corporate Affairs Director, National Grid
- Upto 6 external representatives
- A Panel Secretary will be provided by NGGD

Terms of Office

- All Member positions shall be held for a period of 24 months, or for internal Members as long as the relevant position is held.
- Once external Members' term of office has expired NGGD may invite the Member to extend their service for one additional year.
- Personnel will not ordinarily be eligible for extension of their membership of the Panel once they have changed roles.
- Members are expected to attend all meetings unless there are exceptional circumstances.

Remuneration

- Whilst positions are voluntary, travelling and out-of-pocket expenses will be covered, together with the costs associated with the provision of services, stationery, publicity, refreshments etc.

Meetings

- Panel meetings will normally be held four times a year.
- Members will be given a minimum of one months' notice of the date of a meeting.
- Minutes of the Panel's previous meeting will be distributed to Members at least seven days prior to the next meeting.
- Meetings will be held at:
 - NGGD's Warwick offices;
 - NGGD's London head office; or
 - at an alternative venue agreed by all Members.
- Decisions shall be decided by a consensus where possible. If a consensus cannot be reached a majority vote will prevail.

Agenda

- At the first meeting each calendar year the Members will present for consideration one or two major agenda items for consideration at each meeting to take place that year. A final list will be agreed by the Panel at that first meeting.
- NGGD will provide Members with the resources and information necessary between meetings in order that Members are fully prepared to comment constructively on each major item.
- Other items may from time to time be placed on the Agenda.

Confidentiality and Conflict of Interest

- All Members of the Panel must sign an agreement containing undertakings on confidentiality and conflicts of interest. NGGD will provide the agreement for signature at the first meeting the Member attends if not before.

Business awareness

- All Members will need to understand their own role and the role of other Members and the nature of NGGD's operations. On appointment, all Members will receive induction training, covering the day-to-day working of NGGD to get an appreciation of its various departments and their functions, health and safety, as well as understanding the rules and constitution of the Panel, confidentiality and conflicts of interest.
- At least one educational visit will be arranged for the Members each year.

Panel Administration

The Panel Secretary will:

- be responsible for keeping minutes, compiling/circulating agendas and other necessary documents to the Panel prior to meetings;
- support research or gathering of information as required by the Panel;
- organise any site visits or training required by Members in order to improve their knowledge of NGGD and National Grid.