ScottishPower Foundation

GOOD GOVERNANCE CODE

(as approved by the Trustees on 2 June 2026)

ScottishPower Foundation

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INTRODUCTION – SCOPE OF GOOD GOVERNANCE CODE

The Scottish Power Foundation (the "**Foundation**") believes in the importance of adopting good corporate governance practices as a means of ensuring that it fulfils its charitable purposes as well as being held accountable in terms of its social contribution and transparency.

As a company limited by guarantee, which is also a registered Scottish charity, the Foundation must comply with both company law and Scottish charity law. As such, the Foundation has implemented a robust governance system (the "**System of Governance**") which is structured around its articles of association (the "**Articles**") and this *Good Governance Code* to ensure continued legislative compliance and to adhere to current principles of best practice within the sector.

This *Good Governance Code* sets out the roles and responsibilities of the charity trustees of the Foundation (those individuals appointed to the board of directors) (the "**Trustees**") and what is expected of them as regards their conduct in the role of charity trustee of the Foundation.

THE FOUNDATION'S SYSTEM OF GOVERNANCE

1. Overview

1.1 This *Good Governance Code* forms part of the Foundation's overall System of Governance. In addition to this *Good Governance Code* and the Articles, Trustees are also expected to comply with the Code of Ethics, which applies to all representatives involved with the Foundation, and to the extent that the provisions contained within the Code of Ethics apply to the role of a trustee, the Code of Ethics applies to the Trustees within the Foundation. There are also separate provisions relating to the Compliance of the Foundation (the "**Compliance Regulations**") and as with the Code of Ethics, to the extent that any provisions contained within the Compliance Regulations are applicable to the Trustees, they must comply with their terms.

1.2 In addition to the core documents of the System of Governance referred to in paragraph 1.1 above, Trustees must also ensure that they comply with any other policies or procedures adopted by the Foundation from time to time.

CHARITABLE PURPOSES AND PRINCIPLES

2. Charitable Purposes

2.1 As a registered Scottish charity, the Foundation must always act in accordance with the objects (being the charitable purposes of the organisation) as set out in the Articles. The charitable purposes of the Foundation (the "**Objects**") are:

a) the advancement of education;

b) the advancement of environmental protection or improvement, in particular, promotion, dissemination and support of knowledge, research and culture in their most varied forms, with a special focus on the development of and progress toward a sustainable energy model that respects the environment and biodiversity;

c) the advancement of the arts, heritage, culture or science, in particular:

i. cultural initiatives for the promotion and support of scientific, technological dissemination and environmental protection activities, encouraging, in particular, the development of studies of all kinds in the areas of energy, biodiversity and environmental impact in general; and

ii. in the areas of restoration, development and conservation of the cultural heritage, as well as the development of projects and activities to promote and disseminate art and culture, and to technically and financially support cultural and artistic activities carried out by public and private institutions;

d) the prevention or relief of poverty and the relief of those in need by reason of disability or other disadvantage, in particular, the development of initiatives to support social action in the areas of cooperation and solidarity in order to actively contribute to the improvement of the quality of life of the most underprivileged groups, through initiatives for the development of infrastructure and services that provide for their full social and labour integration, as well as professional training, insertion into the work force and the generation of employment opportunities for disadvantaged persons that allows for the creation of jobs for them, and ultimately, for the integration into the labour market;

e) the advancement of citizenship and community development.

2.2 These Objects should always be at the forefront of the minds of the Trustees as a key duty in terms of Scottish charity law is that charity trustees ensure that the charity acts in accordance with its charitable purposes.

2.3 The Trustees must ensure that they regularly evaluate these Objects to ensure that they remain an accurate description of what the Foundation is seeking to achieve and must ensure that any changes are made, subject to first obtaining the prior consent of the Office of the Scottish Charity Regulator ("**OSCR**").

3. Guiding Principles

3.1 The System of Governance of the Foundation is based on the following guiding principles:

a) Principle of prudence in investments, which entails the optimisation of its financial resources to achieve the Foundation's charitable purposes.

b) Principle of transparency, which ensures equal opportunity in accessing the services, benefits and support from the Foundation and entails the supply of clear information regarding the sources of its financing.

c) Principle of regulatory compliance, pursuant to which the Foundation will promote the achievement of its purposes within the framework of the strictest compliance with the law applicable from time to time and in each region.

d) Principle of proper operation of the Trustees, which requires that the Foundation's highest governance body be made up of a number of members that ensures the efficient operation of the organisation while also ensuring independent decision-making.

e) Principle of planning and monitoring of specific activities, pursuant to which the Trustees will approve the Foundation Action Plan setting out the aims and activities that are expected to be developed in order to achieve the Foundation's charitable purposes. The Board of Trustees will also articulate systems for the internal control and monitoring of the various activities that are implemented.

THE BOARD OF TRUSTEES – COMPOSITION & FUNCTION

4. Function

4.1 The Trustees are responsible for the decision making and management of the Foundation which includes the management of the property and assets of the Foundation to ensure that the Objects are achieved.

4.2 The Trustees must always act in accordance with their legal duties and in line with the provisions of the Foundation's System of Governance, in which the Articles and then this *Good Governance Code* shall take priority.

5. Composition

5.1 The Articles govern the composition of the board of Trustees and set out provisions regarding how the board is to operate.

5.2 The Foundation and Scottish Power Limited (in its capacity as sole member of the Foundation) shall ensure that the composition of the board of Trustees consists of individuals with an appropriate mix of skills and experience and takes into account the geographic diversity in which it carries out its activities.

6. Office bearers

6.1 The Trustees shall appoint a chair from among themselves (the "**Chair**"). The individual appointed as Chair must have been appointed to the office of trustee in accordance with articles 64 to 67 of the Articles (Appointment, removal: Independent Directors).

6.2 The Trustees may also appoint from among themselves a Vice Chair, who will perform the duties of the Chair if the Chair is absent or ill, or as delegated by the Chair.

THE BOARD OF TRUSTEES – OPERATION

7. Operation

7.1 The Trustees shall meet at least three times in any financial year, and otherwise as often as is deemed appropriate for the proper management of the activities of the Foundation. The first meeting shall take place within the first six months of that financial year and shall be held primarily for the purpose of approving the annual financial statements for the preceding financial year. A meeting shall also be held during the last third of that financial year for the purpose of approving the plan of activities for the next financial year.

7.2 Meetings of the Trustees shall be held at the registered office of the Foundation, or otherwise as specified in the notice of meeting.

7.3 Trustees are permitted to attend and participate in meetings remotely by way of videoconferencing, remote attendance or other similar program(s) which allow them to be heard by and hear the others in attendance.

7.4 The Trustees must provide an email address and a mobile telephone number for the purpose of remote attendance in meetings.

8. Resolutions of Trustees

8.1 In order for resolutions of Trustees to be valid, a quorum must be present at any board meeting where such a resolution is being passed. The quorum for meetings of the Board of Trustees is 4 directors. This quorum shall not be constituted unless a majority of those

present at the meeting are from the Independent Trustees category.

8.2 If deemed appropriate by the Chair, and provided that no Trustee objects, the Trustees may act by way of written resolution.

8.3 In the event of an equal number of votes, the Chair shall have a casting vote.

9. Delegated Committee

9.1 The Trustees may establish a delegated committee with decision-making and administrative role (the "**Delegated Committee**") as provided for within the Articles. The terms of reference of the Delegated Committee sets out the principles and guidelines of action and the internal operational regime.

10. Committees

10.1 The Trustees may approve the creation of other support and advisory committees.

10.2 The Trustees, if considered appropriate, may create other control and supervisory committees to assist in the performance of its duties with respect to the financial compliance of the Foundation, as well as to ensure compliance with legal and good governance requirements.

THE BOARD OF TRUSTEES – PRIVATE BENEFIT

11. Remuneration of Trustees

11.1 Trustees shall not be remunerated for the performance of their duties as trustees, without prejudice to (a) the right to be reimbursed for expenses incurred in the performance of their duties or (b) to cover for the risks by means of director and officer liability insurance.

12. Use of Foundation Assets

12.1 Trustees are not permitted to use assets of the Foundation or their role as trustee to obtain pecuniary advantage.

13. Gifts and Hospitality

13.1 The giving of gifts and hospitality can be a significant risk factor for bribery and corruption because they can influence the decision making of the recipient. Neither the Trustees, nor any persons connected to them, may give or receive gifts or hospitality in the performance of their duties of such significance that they might give rise to a conflict of interest or that influences, might influence, or might be construed as influencing decisions.

13.2 The Trustees are responsible for decisions connected with the offer or acceptance of gifts or hospitality. As a general rule, it is usually appropriate to refuse offers except a) isolated gifts of a trivial character or inexpensive seasonal gifts below a value of £50; or b) normal hospitality associated with the duties of the Trustee where it would reasonably be regarded as inappropriate to refuse. Any doubt as to what is acceptable should be discussed with the Compliance Officer.

13.3 The Trustees must record details of any gifts or hospitality received and submit any such details to the Compliance Officer of the Foundation.

THE BOARD OF TRUSTEES – SPECIFIC RESPONSIBILITIES

14. Executive Officer

14.1 The Trustees may appoint an executive officer of the Foundation for the management and administration of the Foundation.

15. Secretary

15.1 The Trustees may appoint a secretary of the Foundation to perform such duties as the Trustees may specify from time to time.

15.2 In particular, the Secretary shall act as a point of contact for the Trustees in respect of all matters relating to the Trustees and to the operation of the Foundation and shall process all reasonable requests from the Trustees with regard to information and documentation arising from Foundation matters.

16. Compliance Officer

16.1 The Trustees shall appoint a compliance officer of the Foundation to perform the duties outlined in the Compliance Regulations and as required by the Trustees from time to time.

17. Preparation of Annual Plan

17.1 The Executive Officer, in consultation with the remaining Trustees, shall prepare and present an Annual Plan for each financial year, setting out the manner in which the Foundation will aim to deliver its charitable purposes.

17.2 At the end of each financial year, the Trustees shall prepare a report on the performance of the activities carried out by the Foundation which have been funded by donations, and the intended activities for which donations are sought for the coming year. This report will be circulated as appropriate and will be published on the Foundation's website.

18. Information Transparency

18.1 The Foundation will publish information on its activities to the general public and to third parties via its website (https://www.scottishpower.com/about_us/the_scottishpower_foundation). The website will also publish details regarding expected participation in future activities.

18.2 The Foundation's website shall publish copies of the following documents:

a. The Articles; and

b. Such other documentation as reasonably approved by the Trustees from time to time.

18.3 The Foundation shall also use its best efforts to maintain contact and a proportionate presence, via social media, with social groups which are reasonably understood as being interested in achieving the Foundation's charitable purposes.

19. Duties of Notification

19.1 The Trustees must notify the Foundation, through the Chair or the Secretary, of any change in the Trustee's professional situation or any other change that might affect the normal performance of their duties.

THE BOARD OF TRUSTEES – LEGAL DUTIES

20. Legal duties of trustees and key principles of good governance

20.1 Trustees must act in accordance with the duties arising out of the provisions of both company and charity law (as set out below). In addition, the Trustees are expected to have regard to the principles outlined in the Scottish Governance Code which can be accessed here (https://goodgovernance.scot/governance-code/the-five-core-principles/)

20.2 In terms of Scottish charity law, the Trustees must:

a) seek, in good faith, to ensure that the Foundation acts in a manner which is consistent with its charitable purposes;

b) act with the care and diligence that might reasonably be expected of a person managing the affairs of another; and

c) manage any conflict of interest between the Foundation and any person or organisation who appoints them.

20.3 In terms of company law, the Trustees must:

a) act within their powers;

b) promote the success of the company in furthering its purposes;

c) exercise independent judgement;

d) avoid conflict of interests situations;

e) not accept benefits from third parties; and

f) declare any interest in a proposed transaction or arrangement.

20.4 In ensuring compliance with the duties at 2 and 3, the Trustees ought to have regard to the key principles outlined in the Scottish Governance Code:

a) organisational purpose – being clear about the purpose and values of the organisation and how it achieves its aims;

b) leadership – clearly establishing the role and responsibilities of the Trustees and providing strategic direction in line with the organisation's purpose, vision and values;

c) board behaviour - both collectively and individually, embracing and demonstrating mutual respect, integrity, openness and accountability;

d) control and risk management – managing risk, maintaining control and making effective decisions to direct and oversee the progress and performance of the organisation; and

e) effectiveness – understanding its role, powers and duties, and works collectively and proactively to achieve its organisational purpose.

THE BOARD OF TRUSTEES – SPECIFIC DUTIES

21. Duty of Regulatory Compliance

21.1 The Trustees must ensure that they are involved in the establishment of suitably robust policies and procedures governing matters of financial control and they must ensure that

such policies and procedures are kept under regular review.

21.2 The Trustees must regularly review and assess any risks which are faced by the Foundation in carrying out its activities and should plan for the management of any such risks. A risk register should be maintained and reviewed regularly.

22. Duty of confidentiality

22.1 The Trustees shall maintain confidentiality in relation to the management and operations of the Foundation. Including the disclosure of any information, data, reports or records which the Trustees have accessed in their role or through exercising their duties. The Trustees shall not use any information, data reports or record for their own benefit or for the benefit of a person connected to them.

22.2 The above duty of confidentiality shall continue even after a Trustee has left office.

23. Conflict of Interest

23.1 A conflict of interest shall be deemed to exist if there is a direct or indirect conflict, or may be a direct or indirect conflict, between the personal interest of a trustee (or a person connected to them) and the interests of the Foundation. A personal interest of the trustee shall exist when the matter directly affects the trustee or a person connected to them.

23.2 For purposes of this *Good Governance Code*, a trustee shall be deemed to have a personal interest in an arrangement if:

a) an individual who is "connected" with the trustee under section 68(2) of the Charities and Trustee Investment (Scotland) Act 2005 (husband/wife, partner, child, parent, brother/sister etc) has an interest in that arrangement (even if the company is not a charity at the time); or

b) a body in relation to which they are an employee, director, member of the management committee, officer or elected representative (or a body in relation to which they are a major shareholder or have some other significant financial interest) has an interest in that arrangement.

23.3 Trustees shall observe the following rules regarding conflicts of interest:

a) Independence: act at all times with professionalism, loyalty to the Foundation and independently of personal or third-party interests. In consequence, they must abstain at all times from prioritising their own interests over and above those of the Foundation.

b) Abstention: abstain from intervening or influencing in decisions affecting the Foundation with which there is a conflict of interest, from participating in the meetings in which these decisions are discussed, and from accessing confidential information relating to the matter.

c) Notification during a Board Meeting: notification to the Board of Trustees, through the Chair or Secretary, of any conflict of interest in which they are involved. To this effect, the existence of a conflict of interest must be notified orally or in writing to the Board of Trustees. The Chair of the Board will take a decision (on the basis of the Articles) as to whether the Trustee concerned should be precluded from being present in discussions and voting in respect of the particular matter. If the conflict of interest relates to the Chair, the decision will be taken by a majority of the other Trustees participating in the meeting.

d) Notification outwith a Board Meeting: Trustees are expected to report a conflict of interest (as defined at 23.1) by making a written notification to the Foundation's Executive Officer or Compliance Officer. The Foundation's Executive Officer or Compliance Officer will ensure the interest is recorded in the Register of Trustees' Interests (held and maintained by the Secretary of the Foundation).

23.4 In addition to the principles set out within this *Good Governance Code*, Trustees must ensure that all interests are declared and are recorded in the Register of Trustees' Interests. This Register will be held and maintained by the Secretary of the Foundation.

THE BOARD OF TRUSTEES – SPECIFIC DUTIES - DUTIES OF DILIGENCE

24. Duty to prepare properly for Board of Trustees meetings

24.1 The Trustees shall make every effort to attend all meetings to which they have been duly called, having prepared appropriately and informed themselves diligently regarding the matters which will be addressed. The Trustees should ensure that they have reviewed all papers circulated in advance of the meeting.

25. Duty of active and appropriate participation & collective responsibility

25.1 The Trustees are expected to participate actively in the meetings of the Trustees to ensure sufficiently reasoned decisions. The Trustees are expected to treat each other with due respect in the course of carrying out their functions and to act in accordance with the reasonable directions of the Chair. The Trustees are collectively responsible for any and all decisions made meaning that they are equally responsible for the consequences arising from any decisions taken.

26. Duty of diligent engagement

26.1 While complying with the Foundation's System of Governance, the Trustees must carry out the specific tasks entrusted to them by the Trustees or Chair with due diligence.

27. Duties relating to staff and volunteers

27.1 The Trustees should treat any staff employed by the Foundation, and any volunteers involved with the Foundation, with courtesy and respect.

27.2 The Trustees should support and encourage all staff and volunteers involved with the Foundation to further the charitable purposes of the Foundation.

THE BOARD OF TRUSTEES – ENGAGEMENT WITH OTHERS

28. Founder

28.1 Scottish Power Limited, as the "Founder", will be entitled to offer its donations to the Foundation, subject to specific conditions which it may impose regarding any particular projects to be carried out by the Foundation.

28.2 The Trustees will ensure that any conditions imposed by the Founder are in furtherance of the Foundation's charitable purposes and will consider whether it is in the Foundation's interests to accept the donations on such terms.

29. Auditors

29.1 The Trustees shall establish an objective, professional and ongoing relationship with the auditors of the Foundation.

29.2 The auditor shall be appointed using a transparent, efficient and equitable selection criteria.

29.3 The Trustees shall implement recommendations received from the auditors as necessary.

30. Suppliers

30.1 The Foundation's relationships with its suppliers, and particularly with regard to choosing any suppliers, shall be guided solely by standards of objectivity, impartiality and equal opportunity, to avoid any favouritism or the interference of conflicts of interest.

BREACH OF GOOD GOVERNANCE CODE

31. Breach of Good Governance Code

31.1 In accordance with the provisions of the Articles, a trustee of the Foundation may be removed from office by resolution of the remaining trustees on the grounds that he/she is considered to have committed a material breach of this Good Governance Code.

AMENDMENTS

32. Amendments to Good Governance Code

32.1 The Trustees undertake to review this *Good Governance Code* at least every two years in order to ensure that it conforms with all applicable laws and regulations in force from time to time, together with principles of best practice within the sector, and to reflect the changing needs of the Foundation over time.

32.2 The Trustees may resolve to amend this *Good Governance Code*.