



**SP Transmission plc, SP Distribution plc, SP Manweb plc  
Statement on linkages between Directors’ Pay and Standards of Performance  
to 31<sup>st</sup> December 2019**

The directors participate in the group’s performance related Annual Incentive Plan and receive a bonus in the year under review. Entitlement to a bonus is dependent upon achievement of objectives set at a group, business and personal level. Business objectives are set annually based on what requires to be delivered by the business and progress is tracked against a scorecard. The objectives set include targets relating to service standards, which include customer minutes lost, customers interrupted and telephone response rate.

**2019 Personal Level Business Objectives  
% link to key measurable outputs**

Role	Customer Service	Health & Safety	Investment Delivery	Performance & Governance
Chief Executive Officer	15%	15%	20%	50%
Director of Network Planning & Regulation	40%	0%	20%	40%
Director of SP Distribution	51%	9%	20%	20%
Director of SP Manweb	51%	9%	20%	20%
Director of Customer Services	50%	0%	0%	50%
Director of Processes & Technology	50%	0%	14%	36%
Director of SP Transmission	10%	10%	40%	40%

Each director has an objective for customer service and the measurable outputs are weighted depending on their responsibilities. Four of the Directors have a relatively high weighting for customer service, all having had key customer service deliverables for the 2019 performance year. In these cases, at least 50% of the personal element of their bonus is linked to achievement of customer service standards.

It is also important to note that delivery of customer service is underpinned significantly by investment delivery in the form of outputs which are also directly incentivised through the Price Control set by the Gas and Electricity Markets Authority.

Six of the Directors also participate in the Long-term Incentive Plan (LTIP), which is a performance share plan. Eligible directors are granted an award of shares expressed as a percentage of base salary. Before any amount of shares vest the Remuneration Committee must be satisfied that there has been sustained underlying financial and customer service performance. The final amount of shares, which vest, is dependent on performance over a 3-year period.

Further information:  
Regulation Department: 0141 614 1586