

TERMS OF REFERENCE

BRITISH ENERGY GROUP BOARD

1 CONSTITUTION

The Board of British Energy Group plc will become an oversight board, with its primary function being the oversight of the business of British Energy Generation (BEG) and advising the licensee board (the “Generation Board”) on the findings resulting from its oversight role. The British Energy Group Board has subsumed the remits of the SHEC and TPOC and replicated their roles in providing useful input to the Generation Board. In addition the British Energy Group Board will retain certain statutory responsibilities as an intermediate holding company board within the Group.

2 PRINCIPAL DUTIES

The principal duties of the Board will include:

- Appointments to the Generation Board
- Approval of the Budgets for the nuclear generation business
- Review and advise the Generation Board and Executive of the Existing Nuclear business on Safety, Health and Environment Matters relating to the existing nuclear generation business and in particular:-
 - Review and make recommendations on the BE Group’s nuclear and industrial safety, occupational health and environmental protection policies.
 - Monitor performance, having regard to underlying trends and review progress on improving safety performance and safety culture.
 - Monitor performance, having regard to underlying trends and review progress on improving the occupational health of staff, contractors, visitors and the general public
 - Monitor performance, having regard to underlying trends and review progress on improving the environmental impact of the BE Group on society and its employees
 - Review the Generation risk register in the areas of nuclear and industrial safety, health and the environment.
 - Overview and where appropriate advise the licensee boards on the Group’s approach to the management of nuclear safety, industrial safety, occupational health and environmental impact risks.
 - When appropriate review and advise the Generation Board on Grade A and A* MoC proposals.
 - Monitor safety, health and environment risk exposures.

- Oversight of performance and nuclear governance and in particular:-
 - receive and consider regular reports from the Executive of the existing nuclear business on nuclear operational performance;
 - receive and consider reports from the Executive of the existing nuclear business on technical and operational risks;
 - review periodically the process and procedures for the identification, evaluation and management of the technical risks facing the business, including review of the Generation Risk Log;
 - review fleet performance metrics on a periodic basis, based on internal and external evaluations and reviews
 - review major technical and operational options for generation
 - review the annual business and investment plan for the generation business;
 - receive and consider an annual report on available technical resources and availability of relevant human resources;
- The reserved matters set out undernoted.

Reserved Matters

The Board is responsible for ensuring compliance of all BE Group activities with statutory and regulatory requirements and has reserved (i.e. specified those items that must be subject to Board approval) the following specific powers:

- Any alteration of the 'Memorandum and Articles of Association' of the Company or its operating subsidiaries and approval of the procedures and regulations of the Board
- Approval of the BE Group corporate plan and the BE Group budget
- Approval of financial transactions, borrowings and contracts except as delegated by financial and contractual authorities for the BE Group
- Undertaking by the BE Group of material litigation
- Disposal of land or assets except as delegated under the Board authorities
- Entry into contracts for land or non-operational assets except as delegated under the board authorities
- Investment decisions except as delegated under the Board authorities
- Appointment of key advisers to the BE group
- Amalgamation of the pensions schemes of BE Group companies or major alterations to the pension scheme trust deeds and changes in benefits or contribution levels.
- Approval of the BE Group capital and funding structure

All Directors have access to the services of the General Counsel and Company Secretary.

The performance of the Board is evaluated each year to ensure that their respective roles are being carried out efficiently and effectively.

3 MEMBERSHIP

- Chairman (CEO of EDF Energy)
- Independent Non-Executive Director
- 2 x Non-Executive Directors (1 x EDF SA Nuclear; 1 x Finance EDF SA)
- Senior Nuclear Advisor
- MD, Existing Nuclear
- CFO EDF Energy
- MD, Nuclear New Build

In addition, the Safety and Technical Director shall be in attendance at meetings of the Board.

4 MEETINGS

Meetings of the BE Group Board will be held quarterly or more frequently if business so requires.

5 AUTHORITY

The Board is committed to ensuring that high standards of corporate governance are maintained by the BE Group. It is the Board's policy to comply with the spirit of the Combined Code on Corporate Governance and corporate governance practice is monitored and appropriate recommendations from relevant professional bodies are adopted.