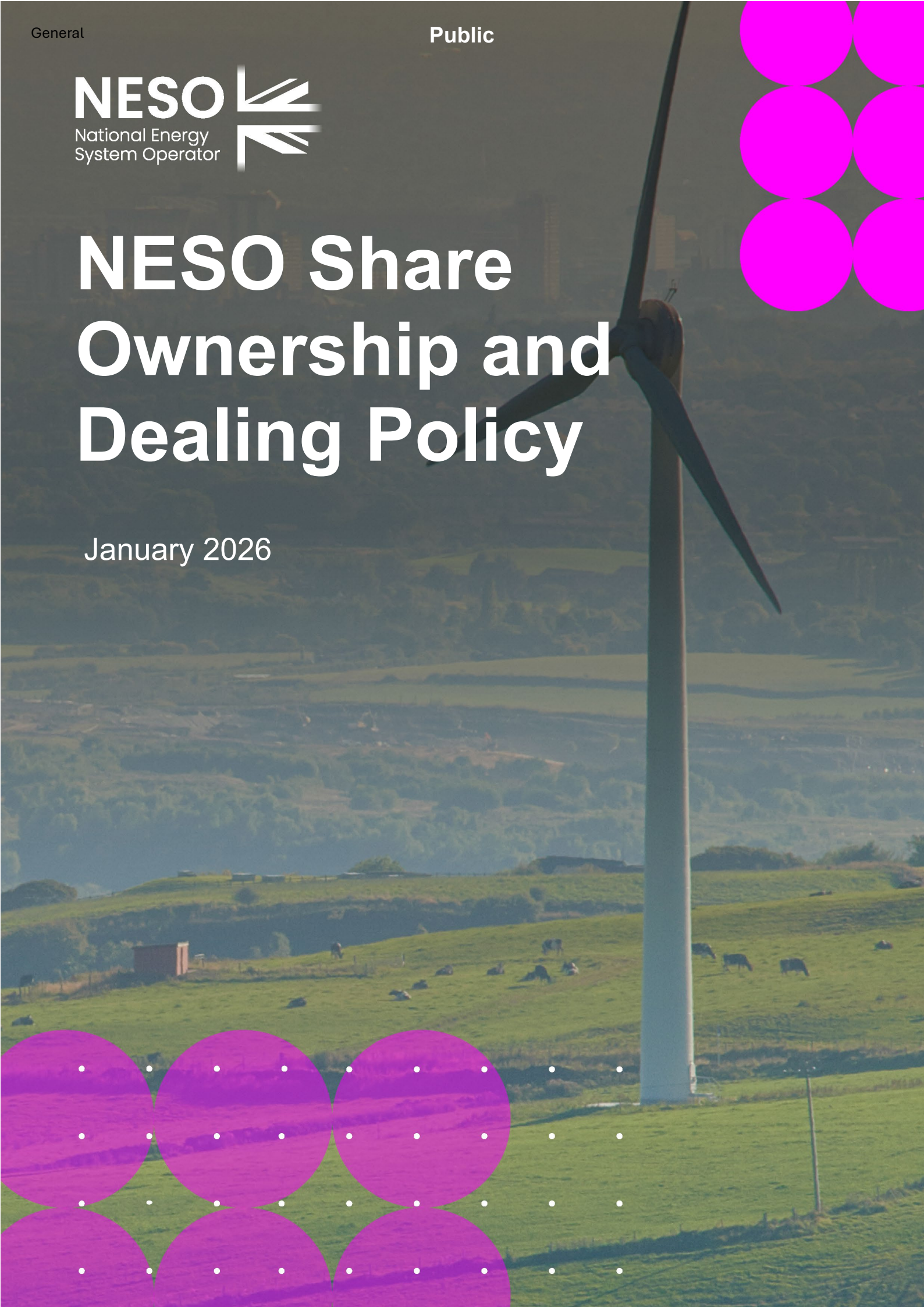
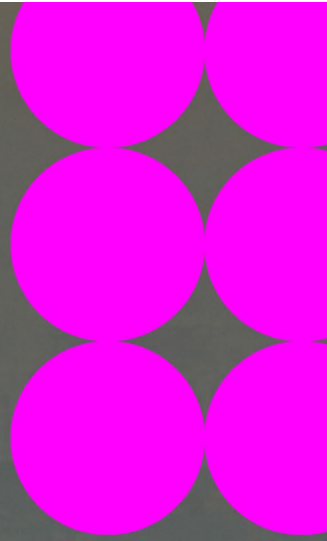




# NESO Share Ownership and Dealing Policy

January 2026



# NESO Share Ownership and Dealing Policy (the “Policy”)

## Introduction

National Energy System Operator (NESO) is an independent, impartial, and expert organisation at the centre of Great Britain’s energy system. It is crucial that stakeholders can trust that our organisation is completely independent from outside influences, and that we are able to make unbiased decisions. Our personal financial transactions should never influence, or be influenced by, our work at NESO. Our licences require us to have policies to achieve this independence and to avoid conflicts of interest.

NESO’s impartiality could be affected by the ownership of shares, securities, or other financial instruments in the energy sector. There is potential that such financial interests may influence our decision-making or advice, or could be perceived by external parties as a possible source of bias.

This Policy must be read in conjunction with NESO’s Conflict of Interest and Disclosure Policy, as well as relevant laws. NESO reserves the right to investigate any activity which it believes may be in breach of this Policy. Any breach of this Policy or the law will be regarded as a serious disciplinary offence and will be dealt with as detailed in NESO’s Conflict of Interest and Disclosure Policy. Overall compliance with the Policy and procedures will be monitored by the NESO Assurance team

## Definitions

Where used in this Policy, the following words and phrases have the meanings set out below:

**‘Board members’** means the members of the board of directors of NESO, including the Chair, all Non-Executive Directors and all Executive Directors.

**‘closely associated person’** means, in relation to an individual, their:

- a) spouse;
- b) civil partner;
- c) dependent child(ren) (under 18 years of age, unmarried), including step child(ren);
- d) relative (of any age) currently sharing the same household for 12 months or more; and
- e) legal person (body corporate etc.) owned or controlled by any such person(s).

**‘Day One’** refers to 1 October 2024, the first day of NESO, under government ownership.

**‘ELT members’** means members of NESO’s Executive Leadership Team, including all members of NESO’s Executive Committee and Operations Committee and may, exceptionally, include some other senior leadership roles, as determined on a case-by-case basis.

**‘Shares’, ‘shareholdings’ or ‘securities’** in the **‘GB energy sector’** means shareholdings, securities and related financial instruments in any company which controls or is:

- a) a gas producer, shipper or supplier; or
- b) involved in the production, transport, distribution or storage of hydrogen; or
- c) an electricity generator, supplier or seller; or
- d) an energy network operator, including transmission, interconnectors and distribution; or
- e) involved in the storage of energy

where such activities take place in Great Britain. This includes all entities licenced by Gas and Electricity Markets Authority (GEMA) but may also include other entities operating in the GB energy sector.

## Share ownership and dealing policy rules

Policy Rule	In role at 'Day One'			New Joiners post 'Day One'
	Board Members	ELT Members	Other employees	
<b>Declarations</b>	<b>All shares in the GB energy sector held by them or any closely associated person must be declared:</b>			
	(a) on or before joining NESO (b) annually, and (c) whenever there is a change.			
<b>Acquiring shares in the GB energy sector</b>	<b>Prohibited</b> , subject to the following exceptions:			
	(a) investments such as pension funds, unit trusts or managed funds which may hold shares in the energy sector, but where the NESO individual has no control or influence over those underlying investments including the timing of buying or selling, the portfolio composition, or the buying and selling of individual investments; (b) passive receipt of energy sector securities (e.g. via bequest); (c) shares acquired via permitted automatic reinvestment of dividends, as set out below; and (d) employees in role at Day One who were members of a National Grid Sharesave scheme were permitted to continue paying into such scheme for up to 6 months from Day One, before then being able to exercise their option to buy shares in National Grid at the appropriate option price.			
<b>Divestment of shares in the GB energy sector *</b>	<b>Must be divested within 1 year</b> of 'Day One' i.e. by 1 Oct 2025.  Where received passively (e.g. bequest) to be divested within 1 year of receipt.	<b>Must be divested within 3 years</b> of 'Day One' i.e. by 1 Oct 2027.  Where received passively (e.g. bequest) to be divested within 3 years of receipt.  This requirement does not apply to those holding an ELT position only on an interim basis.	<b>Divestment not required.</b>  'Day One' employees are permitted to retain their 'Day One' holdings, <b>subject to the Conflict of Interest and Disclosure Policy.</b>	<b>Must be divested within 1 year</b> from joining NESO.  The Remuneration Committee may grant specific approval, on an individual basis, for a new joiner to retain (but not increase) an existing shareholding.
<b>Reinvestment of dividends to acquire further shares **</b>	<b>Automatic reinvestment is permitted for 1 year</b> after 'Day One' and prohibited after.	<b>Automatic reinvestment is permitted for 3 years</b> after 'Day One' and prohibited thereafter.		<b>Prohibited.</b>

\* **Divestment of shares:** All divestments of shares in the GB energy sector are subject to an internal pre-authorization process.

\*\* **Reinvestment of dividends:** Where individuals hold shares in the GB energy sector at Day One, and such shares are permitted to be retained for a period under the Policy, the individual may (if the option is available) elect for automatic reinvestment of dividends for these holdings i.e. any dividends paid on such shares are not taken as cash but rather used to buy additional shares in the same organisation. Provided the individual does not have any influence over the timing of such reinvestment, this automatic reinvestment is permitted for 1 year (for 'Day One' Board members) or 3 years (for 'Day One' ELT and other 'Day One' employees) and prohibited thereafter.