

GAS NETWORKS IRELAND BOARD (“BOARD”)
TERMS OF REFERENCE

Gas Networks Ireland is a designated activity company limited by shares, established pursuant to the Gas Regulation Act 2013 (as amended) (the “2013 Act”).

The purpose of this document is to set out the terms of reference of the Board of Gas Networks Ireland, as prescribed by the Code of Practice for the Governance of State Bodies (the “Code”). This document should be read alongside the 2013 Act and the Constitution of Gas Networks Ireland. In the event of conflict, the 2013 Act and the Constitution will prevail.

These terms of reference should be read in conjunction with the Gas Networks Ireland Governance Framework.

Section 1 - Membership

Directors shall be appointed by the majority-shareholding Minister as defined in Section 9 of the Gas (Amendment) and Miscellaneous Provisions Act 2024 (the “2024 Act”) (“the majority-shareholding Minister”). The Board consists of at least five and not more than nine directors (including its Chairperson of the Board (“Chairperson”) and the Chief Executive Officer), each of whom shall be appointed by the majority-shareholding Minister, having consulted with the Minister for Public Expenditure, National Development Plan Delivery and Reform. The Chief Executive Officer shall be the only executive Director.

Consistent with best corporate governance practice, no Director shall serve more than two full terms of appointment in accordance with the 2013 Act, or hold appointments to more than two State Boards, at the same time, in accordance with the Code, unless the specific statutory provisions relating to the particular State body enable such service. The Board or, where necessary, the relevant Government Department should vary the terms of Board appointments to between three and five years. A period of appointment may be renewed for a further period, ordinarily for a maximum of eight years in total.

If exceptionally it is decided that a Director should serve a further additional Board term, or that a renewal of appointment would bring the total period of service to above eight years, this requires Ministerial approval.

The Chairperson of the Board shall bring skill gaps present on the Board to the attention of the majority-shareholding Minister in advance of a time when Board vacancies are due to arise. The Chairperson of the Board, in assisting the Department in drawing up the specification for the Board appointment shall have due regard for the benefits of diversity on the Board including gender. The current gender composition of the Board should be highlighted when making submissions to the majority-shareholding Minister on Board appointments and re-appointments.

1.1 – The Chairperson of the Board (“Chairperson”)

The Chairperson is responsible for leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairperson should display high standards of integrity and probity and set expectations regarding culture, values and behaviours for Gas Networks Ireland and for the tone of

discussions at Board level. The Chairperson should promote a culture of openness and debate by facilitating the effective contribution of key management and all Directors.

The Chairperson is responsible for ensuring that the Board receives accurate, timely and clear information. The Chairperson should ensure effective communication with all relevant stakeholders.

In the absence of the Chairperson from a meeting of the Board, the Directors present shall elect one of their number to chair the meeting.

1.2 – The Chief Executive Officer (“CEO”)

The CEO is appointed by the Board with the consent of the majority-shareholding Minister pursuant to Section 7B of the 2013 Act and has the responsibility of (a) carrying on, managing and controlling generally, the administration of Gas Networks Ireland, and (b) advising the directors of Gas Networks Ireland in relation to the performance by the company of its functions.

The CEO is tasked with achieving the strategic goals of Gas Networks Ireland by directing resources to the appropriate areas and monitoring the performance of those resources to ensure the profitable growth and operation of Gas Networks Ireland.

The CEO shall promote the company’s cultures, values and behaviours through both the CEO’s own example and the day-to-day working environment of the organisation.

The CEO shall build and maintain an effective Executive team and effective management structures within the organisation. The CEO shall also maintain an on-going dialogue with the Chairperson to impart information and advice.

The Chairperson and the CEO are responsible for the effective management of the Board’s agenda and for ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairperson and the CEO shall meet in advance of each Board meeting to agree the agenda.

1.3 - Secretary of the Board (“Secretary”)

The Secretary of the Board shall be assigned such functions and duties as the Board determines. The duties can be classified as follows:

- Statutory duties;
- Duty of disclosure;
- Duty to exercise due care, skill and diligence; and
- Administrative duties.

The Board has a duty to ensure that the Secretary of the Board has the necessary skills to discharge his or her duties.

Under the direction of the Chairperson, the Secretary is responsible for ensuring the proper flow of information within the Board and its committees and between senior management and Directors, as well as facilitating induction and mentoring and assisting with the ongoing professional development of Directors as required. The Secretary of the Board is responsible for advising the Board through the Chairperson on governance matters generally.

All Directors shall have access to the advice of the Secretary, who is responsible for ensuring that Board procedures are complied with.

Both the appointment and removal of the Secretary are matters for the Board as a whole.

1.4 – Training

The Board shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. The Secretary will be responsible for ensuring that this training, as identified by the Chairperson and other Directors, is provided. The Chairperson and Directors shall make recommendations to the Secretary and the Gas Networks Ireland Board on individual Members' training needs.

1.5 – Letter of Appointment

The Secretary shall ensure that, on appointment to the Board by the majority-shareholding Minister, a non-executive Director receives a formal letter and warrant of appointment from the majority-shareholding Minister setting out clearly what is expected of him or her.

Section 2 –Meetings

2.1 - Quorum

The quorum necessary for the transaction of business shall be not less than three Directors. A duly convened meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board of Directors.

2.2 – Conflicts of Interest

Directors should seek to avoid circumstances in which a conflict of interest may arise as between their role as Director and any other employment and/or engagement.

A Director shall be responsible for declaring any potential conflict of interest arising in relation to any items on the agenda for a Board meeting or otherwise in relation to matters coming before the Board.

A conflict of interest arises when a Director has interests or loyalties that either are, or potentially could be, at odds with the business of Gas Networks Ireland. Directors should be cognisant of situations where there is an incompatibility between their professional duties and personal interests. Personal interests include those of closely connected persons.

A register of Directors' interests shall be maintained by the Secretary. Where a conflict of interest arises, a Director shall bring this to the attention of the Chairperson and, where necessary, absent themselves from the meeting for the duration of the discussion and shall not take part in any decisions in relation to the matter in question. Documentation relating to the matter shall not be made available to the Director. This shall be noted in the minutes of the Board Meeting.

2.3 – Attendance

Only Directors have the right to attend and vote at Board meetings. Members of the Executive Management Team and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

A Director is expected to attend all Board meetings and all meetings of Committees of which he or she is a member and to contribute in accordance with his or her knowledge, skills, experience and expertise. An evaluation of attendance at Board and Committee meetings will be undertaken and notified to the majority-shareholding Minister as necessary in advance of the consideration of any Board member's eligibility for re-appointment.

2.4 - Frequency of Meetings

Regular meetings of the Board shall be held and such meetings are referred to herein as scheduled Board Meetings. In so far as is practicable, the dates of these meetings shall be fixed by the Board annually in advance. The date of a scheduled Board Meeting may be altered only by majority decision of the Board made at a meeting of the Board or agreed to in writing by a majority of Directors.

Any meeting of the Board, other than a scheduled Board Meeting, shall be deemed to be a special Board Meeting. A Director may, and the Secretary on the written requisition of a Director shall, convene a special Board Meeting. A special Board Meeting shall be convened only where it is thought necessary by those convening the meeting to consider important matters affecting Gas Networks Ireland which could not await consideration at the next scheduled Board Meeting.

2.5 - Notice of Meetings

Meetings of the Board shall be summoned by the Secretary at the request of the Chairperson.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Director and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Directors and to other attendees as appropriate, at the same time.

The agenda for each scheduled Board Meeting shall be set by the Chairperson following consultation with the CEO and or the Secretary. The Secretary shall, at least seven days in advance of the date of a scheduled Board Meeting, cause a copy of the agenda (and accompanying Board documentation) to be published on Diligent or a similar electronic platform to each Director, but the accidental omission to have such notification transmitted in time or at all shall not invalidate a Board Meeting.

A notice convening a special Meeting of the Board may be given:-

- (i) by written notice sent by post or delivered by hand to the address of a Director,
- (ii) by e-mail or other electronic communication, including publication on Diligent, sent to a Director, or,
- (iii) by personal telephone call from the Chairperson, CEO or the Secretary to a Director.

The length of notice for convening a special Board Meeting shall be as long as practicable in the particular circumstances of the business to be dealt with. The failure to notify a Director due to his or her unavailability or absence abroad shall not invalidate a meeting provided reasonable efforts are made to contact that Director to inform him or her of the business to be dealt with at the special Board Meeting.

2.6 - Telephonic Participation at Board Meetings

Attendance in person by Directors at Board Meetings is the preferred type of presence. In special or extenuating circumstances and subject to the prior agreement of the Chairperson, any meeting of the Board may consist of a conference between Directors who are not all in one place, but each of whom is able (directly or by telephonic or other form of electronic communication) to speak to each of the others, and to be heard by each of the others simultaneously, subject to the following:

- (i) a Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly;
- (ii) such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the Chairperson is at the start of the meeting;
- (iii) at the commencement of the meeting each Director should identify him/herself to the reasonable satisfaction of the others;
- (iv) each Director taking part by means of telephonic participation shall ensure that no other person can overhear the proceedings of the meeting and to this end shall take such steps as are required to ensure the confidentiality of the proceedings; and
- (v) a Director may not cease to take part in the meeting by disconnecting his or her telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson, and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained the express consent of the Chairperson to leave the meeting as aforesaid.

2.7 - Minutes of Meetings

The Secretary shall take or cause to be taken minutes of all Board Meetings, whether of scheduled Board Meetings or special Board Meetings. Minutes shall be circulated to all Directors as soon as practicable after the Board Meeting in question.

Section 3 - Duties

The functions and duties of Gas Networks Ireland are set out in the Gas Acts 1976-2009 as amended, and the 2013 Act (the “Gas Acts”).

The Board delegates operational responsibility for the day-to-day running of Gas Networks Ireland to the CEO and the Executive Management Team. The Board shall receive regular reports from Gas Networks Ireland’s Board Committees and the Executive Management Team so as to monitor Gas Networks Ireland’s performance.

In addition to the functions and duties set out in the Gas Acts, the Board shall satisfy itself that systems of internal control (including financial controls) and risk management are robust and defensible.

The Board shall keep itself up to date and fully informed about strategic issues and changes affecting Gas Networks Ireland and the environment in which it operates.

The Board shall keep under review corporate governance developments (including ethics-related matters) which may affect Gas Networks Ireland, with the aim of ensuring that Gas Networks Ireland's corporate governance policies and practices continue to be in line with best practice.

The Board shall ensure that the principles and provisions set out in the Code (and any other corporate governance codes that apply to Gas Networks Ireland) are adhered to.

The Board is authorised to seek the information it requires from the Executive Management Team in order to perform its duties. Directors, both individually and collectively, have the right to consult Gas Networks Ireland's professional advisers and, if necessary, to seek independent professional advice at Gas Networks Ireland's expense in the furtherance of their duties as Directors.

3.1 - Board Committees

The Board may, from time to time, establish such Committees of the Board as are necessary to assist it in the performance of its duties. Committees may include members who are not Directors if specialist skills are required. Where a Committee is put in place:

- its terms of reference shall be specified in writing and approved by the Board and reviewed at least annually;
- the Board, on the nomination of the Chairperson, shall appoint the members of the Committee having due regard to formal assessment criteria for the appointment of the Chairperson and the members of each Committee;
- the Board shall receive regular reports from the Committee;
- all protocols concerning the operation of the Board shall be applied to a Committee to the extent applicable;
- minutes of Committee meetings shall be circulated to all Directors except for minutes and papers for the Remuneration Committee.

The Board is currently assisted in the discharge of its obligations through the delegation of certain roles and responsibilities to four Committees:

- Audit and Risk;
- Finance and Investment;
- Remuneration;
- Safety, Sustainability and People.

The Board may, from time to time, establish additional 'specific purpose Committees' where matters arise which require particular attention from the Board.

Section 4 - Reporting Responsibilities

The Board shall keep the majority-shareholding Minister informed of matters arising within Gas Networks Ireland.

Section 5 - Effectiveness Reviews and Performance Evaluation

The Board shall, at least once a year, review its own performance and that of individual Directors to ensure it is operating at maximum effectiveness. The Board evaluation process shall incorporate

the necessary provisions of the Code. An external Board review shall be conducted at least every three years.

On an annual basis, the Board will review the Terms of Reference.
