

EDF Group of the ESPS (EDFG)
Rules for the Nomination and Election of
Member-Nominated Trustee Directors

Version 2.0, September 2025

Purpose of this document

This document sets out the Rules for the nomination and election of MNTDs and the terms on which MNTDs will hold office.

Other relevant documents

The following documents are also relevant to the nomination and election of MNTDs:

- Article 41 of the Trustees Articles
- EDFG MNTD Summary of Eligibility Requirements
- EDFG MNTD Summary of Privacy Notice

Approval

Ownership	Trustee Board
Persons to be consulted about this document and any changes to it	EDF Pensions Management Team
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1. Introduction

- 1.1 The trustee of the EDF Group of the Electricity Supply Pension Scheme ("EDFG") is a company called EDFG Trustee Limited (the "Trustee"). The Trustee is seeking nominations for three EDFG members to be appointed to the Trustee's board of directors. These directors are known as member-nominated trustee directors ("MNTDs"). The appointments will take effect from 1 July 2026 and will be for a period of six years.
- 1.2 These Rules set out the formal arrangements for the nomination and election of MNTDs and the terms on which MNTDs will hold office.
- 1.3 An overview of an MNTD's role will be included in the member communications seeking nominations for MNTDs.
- 1.4 These Rules and the terms on which MNTDs will hold office are subject to the terms of the Trustee's Articles of Association and any other overriding legal requirements and powers. As a relevant centralised scheme, the Electricity Supply Pension Scheme and EDFG are not subject to the requirements relating to MNTDs in section 242 of the Pensions Act 2004.
- 1.5 A copy of the Trustee's Articles is publicly available and can be found on the Companies House website - <https://find-and-update.company-information.service.gov.uk>. In the Trustee's Articles, MNTDs are referred to as elected directors.
- 1.6 In the event of any dispute about the application of these Rules, the Trustee's decision will be final.

2. Composition of the Trustee Board

- 2.1 The Trustee's board of directors currently comprises of 10 directors. Six are nominated and elected by members (member-nominated trustee directors/MNTDs) and four, including the Trustee board's Chair, are appointed by EDF. EDFG also has a separate Independent Trustee which exercises certain specific and limited functions under EDFG's Trust Deed and Rules, the Independent Trustee is not a director of the Trustee.
- 2.2 Three MNTDs' positions are due for election on 1 July 2026 and the other three positions on 1 July 2029.

3. Terms of Office

- 3.1 MNTDs appointed with effect from 1 July 2026 will be appointed for a period of six years, up to and including 30 June 2032.
- 3.2 The Trustee may extend an MNTD's period of office where it considers this to be in the interests of members. This could include, for example, the situation where an MNTD is involved in an ongoing project, or where, at a subsequent election, there are fewer candidates than vacancies.
- 3.3 An MNTD may, at any time, resign or be removed by agreement of a majority of EDFG's other MNTDs. An MNTD's term of office will also end where they cease to be a member - typically where an MNTD transfers the full value of their benefits in EDFG to another pension scheme or arrangement.

- 3.4 The Trustee and EDF may also agree to remove an MNTD who is a deferred member and who becomes engaged in providing services in competition with EDF, or any of its group undertakings (whether as an employee of a competitor, or otherwise).
- 3.5 If an MNTD resigns or is removed from office before the end of their fixed period of office, the continuing MNTDs may co-opt a member to serve as a substitute MNTD for the remainder of the period, or such shorter period as the Trustee determines.

4. Eligibility for Office

- 4.1 Any member of EDFG, other than a deferred member who is engaged in providing services in competition with EDF, or any of its group undertakings (whether as an employee of a competitor, or otherwise), may nominate themselves to be an MNTD.
- 4.2 The Trustee and EDF will jointly decide if a deferred member is engaged in providing services in competition with EDF and will issue guidelines on when members will be considered to be in this position. These guidelines may be updated from time to time.

5. Nominations

- 5.1 Members will be invited to nominate themselves to be an MNTD.
- 5.2 Nominations must be made in writing (which may include by electronic means), in a form decided by the Trustee.
- 5.3 The Trustee may reject incomplete or inaccurate nomination forms. This will have the effect that the member is deemed not to have been nominated. The Trustee has a discretion to allow a member to provide a new, or corrected nomination form and may allow a corrected form to be treated as having been supplied on the date the original form was submitted.

6. Election Process: Candidate Day

- 6.1 Subject to Rule 6.7, all members who have nominated themselves in accordance with Rule 5 (referred to below as "candidates") will be invited to, and required to attend, a Candidate Day. Subject to the Trustee determining exceptional circumstances apply and then, on such terms as the Trustee determines, candidates who do not attend the Candidate Day will be ineligible to be included on an election ballot or appointed as an MNTD.
- 6.2 The Trustee will have discretion as to the time and form of the Candidate Day. The intention is that it will include at least, the following:
- a) confirmation of what the Trustee is looking for in candidates, expanding on what was included in member communications;
 - b) case study activities; and
 - c) individual candidate meetings with an Interview Panel, so that candidates may ask questions/obtain more information to enable them to decide if they wish to be included on the election ballot and for the Interview Panel to identify and provide feedback to the candidate on their reasons for wanting to be and their ability to effectively carry out the duties of an MNTD.
- 6.3 The Trustee may, at its discretion, decide to hold an individual candidate meeting with a candidate on a day following the Candidate Day.

- 6.4 The Interview Panel will comprise EDFG's Independent Trustee and EDF's Head of Equity, Diversity and Inclusion and/or such other persons as the Trustee determines. In the case of a large number of candidates, the Trustee may operate more than one Interview Panel.
- 6.5 The Interview Panel may make a recommendation for determination by the Trustee's Chair and Deputy Chair that it considers a candidate will, or is likely to be unable to properly discharge their duties as an MNTD. Where the Trustee's Chair and Deputy Chair make a determination to that effect, the candidate will be ineligible for appointment as an MNTD and to be included on an election ballot.
- 6.6 The Interview Panel and Trustee's Chair and Deputy Chair will have a discretion as to the process by which recommendations and determinations are made.
- 6.7 The Trustee may decide not to hold, or alter the form of the Candidate Day where the number of candidates is less than or equal to the number of vacancies.

7. Election Process: Fit & Proper Person requirement

- 7.1 Candidates will be required to meet such conditions relating to being a fit & proper person to be an MNTD as the Trustee determines from time to time.
- 7.2 The Trustee will make guidelines on the circumstances in which a candidate will be considered as not being a fit & proper person, which may be updated from time to time.
- 7.3 The Interview Panel will assess whether candidates are fit & proper persons and make a recommendation to the Trustee's Chair and Deputy Chair where it considers a candidate is not a fit & proper person. The Trustee's Chair and Deputy Chair will then determine whether or not the candidate is a fit & proper person.
- 7.4 Where a candidate is determined not to be a fit & proper person, the candidate will be ineligible for appointment as an MNTD and to be included on an election ballot.
- 7.5 The Interview Panel and Trustee's Chair and Deputy Chair will have a discretion as to the process by which candidates will be assessed and determinations made.

8. Training requirement

- 8.1 The Trustee may require candidates to complete one or more modules of the Pensions Regulator's Toolkit (or an alternative training programme that the Trustee considers equivalent) before a date determined by the Trustee (and before any election ballot is sent to members) and provide evidence of this to the Trustee.
- 8.2 Where a candidate does not satisfy the Trustee that they have complied with any such requirement, the candidate shall be ineligible for appointment as an MNTD and to be included on an election ballot.

9. Confirmation of intention to be included on Election Ballot

- 9.1 Eligible candidates will be required to confirm in writing within a specified number of days following the Candidate Day, whether or not they wish to be included on the election ballot. The number of days will be determined by the Trustee and communicated to candidates.
- 9.2 Any candidate who provides such written confirmation will proceed to selection/member ballot as provided for in Rule 10.

10. Selection/Member Ballot

- 10.1 Where the number of eligible candidates exceeds the number of vacancies, the candidates to be appointed as MNTDs will be those chosen by a ballot of members.
- 10.2 The ballot will be decided on a single transferable vote basis, as determined by the Trustee with further details provided to members with election-related communications. A summary of the proposed single transferable vote basis is set out in the Appendix to these Rules.
- 10.3 The Trustee will have a discretion as to the arrangements for and form of the ballot.
- 10.4 Where the number of eligible candidates is equal to or less than the number of vacancies, the candidates shall be appointed as MNTDs.
- 10.5 Where the number of eligible candidates is less than the number of vacancies, the Trustee will re-run the nomination process for the unfilled vacancies after such reasonable period as is determined by the Trustee.
- 10.6 The outcome of any ballot and the members appointed as MNTDs will be communicated by the Trustee to members.

11. Review

The Trustee may review and amend these Rules at any time.

Adopted on 17 September 2025 by the Trustee

Appendix - Summary of proposed Single Transferrable Voting Basis

The Single Transferable Vote is a logical system of election designed to attain its objectives with economy, efficiency and certainty. It ensures that as far as possible every vote has a positive part in helping to elect some candidate, that no voting power is wasted and that no voter has a greater influence on the result than any other.

This is achieved by giving each elector ONE vote, irrespective of the number of vacancies to be filled, and making that vote transferable. Voting papers are completed by placing the candidates into a preferred order against the figure '1', '2', '3', etc.

When votes are counted, the Returning Officer works to a Quota. This is the number of votes a candidate requires to be certain of election and is calculated to a simple arithmetical formula.

Any candidate elected with more votes than needed (i.e. above the quota) has surplus votes transferred to the remaining candidates – again using a set formula. Votes of any candidates excluded from the count through insufficient support are also transferred. In both cases the contingency markings come into play, and thereby avoids votes being wasted as would be the case in the first-past-the-post election.

It is important to remember that under no circumstances can a later preference count against an earlier preference and that failure to record preferences can limit the elector's influence on the election result.

Example of how an STV election might work in practice

Election Result Sheet:

<i>Number of valid votes</i>	<i>Number of seats</i>	<i>Quota</i>	<u>647</u>
647	5	108	5+1

Candidates Name	1st Stage	2nd Stage		3rd Stage		4th Stage		5th Stage	
	Votes	Transfer of 1's surplus		Exclusion of 9		Exclusion of 6		Exclusion of 5	
1	144	-36	108		108		108		108 Elected
2	95		95	+1	96		96	+32	128 Elected
3	91	+1	92	+1	93		93	+15	108 Elected
4	66	+2	68	+1	69	+46	115		115 Elected
5	60		60		60		60	-60	-
6	58		58		58	-58	-		-
7	55	+9	64	+5	69	+2	71	+1	72
8	48	+20	68	+23	91	+6	97	+7	104 Elected
9	30	+4	34	-34	-		-		-
Non-Transferable				+3	3	+4	7	+5	12
	647		647		647		647		647

The Returning Officer sorts the ballot papers according to the candidate marked as first preference, i.e. marked with the figure 1. In the course of this sorting, any papers incorrectly marked will come to light and will be set aside as invalid. The Returning Officer enters the total number of first preference votes for each candidate on the result sheet in the column headed 'First Stage'. The total of this column gives the number of valid votes cast.

This illustrative election, the first candidate has 144 votes, the fifth candidate only 60. Simply to elect the first five candidates with their unequal support would be inequitable and would leave unrepresented those who had voted for the remaining candidates.

First stage

Deciding the quota

As this is a Single Transferable Vote election, a successful candidate needs to poll not a majority, but a minimum number of votes that guarantees election. This is called the quota. To calculate this quota, the Returning Officer divides the total of the valid votes by one more than the number of members to be elected and rounds the result up to the next highest whole number. Thus, in a three- member constituency

the quota would be just over one quarter of the total vote because only three candidates can each poll this figure, leaving less than a quota of votes for all the other candidates combined.

In this election the total valid vote is 647 and there are five members to be elected. 647 is divided by six (5+1) to give a quota, rounded up to the next whole number, of 108. Only five candidates can each poll 108 votes out of a total of 647.

One candidate, candidate 1, has 144 votes. This exceeds the quota of 108 and the Returning Officer declares candidate 1 elected. This completes the first stage.

Second stage

Transfer of candidate 1's surplus

The Returning Officer's next duty is to transfer the surplus votes over and above the quota, if there are any. Of their 144 votes, candidate 1 must keep 108 for their quota, leaving 36 surplus votes to be transferred in such a way as to reflect the wishes of all their supporters as to their next choices. The Returning Officer now re-sorts all candidate 1's 144 papers according to the names of the candidates marked on them as second preferences.

Third stage

Exclusion of candidate 9

Candidate 9 has the fewest votes (34) and is now excluded. Their 30 papers of full value are transferred to second preferences (or third preferences, in the case of any paper showing candidate 1 - already elected - as second choice) and then the 16 papers of reduced value (0.25) are similarly transferred. Candidates 8 and 7 receive the equivalent of 23 and 5 votes respectively; candidates 2, 3 and 4 each receive one vote (or the equivalent in reduced-value papers of one vote). The equivalent of three votes show no further preferences (or shows preferences only for candidate 1, already elected) and so become non-transferable. They are entered as such on the result sheet under the column 'Third Stage', which shows the new totals for each candidate still in the running. This completes the third stage.

Fourth stage

Exclusion of candidate 6

Candidate 6 now has fewest votes (58); candidate 1 is still the only candidate to have reached the quota and been declared elected. So, the next stage is to exclude candidate 6. 46 of the 58 voters who put candidate 6 first have shown candidate 4 as the next available preference; 6 have shown candidate 8 as the next available preference; two show candidate 7 as the next available preference; four show no further available preference and become non-transferable.

The new totals are again added up ('Fourth Stage' column), and we see that candidate 4 now has 115 votes and has therefore passed the quota (108). The Returning Officer accordingly declares candidate 4 elected.

Fifth stage

Exclusion of candidate 5

At first sight, the next thing to do might appear to be to transfer the surplus candidate 4 now has. But their surplus (7) is smaller than the difference between the two candidates with the fewest votes, candidate 5 (60) and candidate 7 (71) and thus cannot affect the order between them. So instead, the Returning Officer now excludes the lowest candidate, candidate 5. 32 of candidate 5 votes go to candidate 2 and 15 to candidate 3. Seven of them go candidate 8 and one vote goes to candidate 7; five show no further available preference and so become non-transferable.

The Returning Officer examines the new totals ('Fifth Stage' column) and sees that candidate 2 now exceeds the quota of 108, and that candidate 3 has just attained it. These two candidates are therefore declared elected.

The combined surplus now achieved by candidate 2 (20 surplus) and candidate 3 (7 surplus) are not enough to make any difference to the order of the two remaining candidates, candidate 7 (72) and candidate 8 (104). So, there is nothing to be gained by transferring them. The Returning Officer is therefore able straight away to declare candidate 7 excluded, and the one remaining candidate, candidate 8, is deemed to be elected despite not having quite reached the quota. This completes the count.