

ELECTRICITY SUPPLY PENSION SCHEME

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ELECTRICITY SUPPLY PENSION SCHEME NOTICE OF ANNUAL GENERAL MEETING OF SCHEME MEMBERS

Notice is hereby given that the twenty-seventh Annual General Meeting of the Members of the Scheme will be held in the auditorium at Freshfields' offices at 65 Fleet Street, London EC4Y 1HS on Wednesday 7 October 2009 commencing at 1.30pm.

AGENDA

1. Introduction and welcome.
2. Confirm the Minutes of the twenty-sixth Annual General Meeting held on 15 October 2008.
3. Consider matters arising out of the Minutes.
4. Receive the Report of the Chairman of Electricity Pensions Trustee Limited (EPTL) in respect of the year ended 31 March 2009.
5. Receive a presentation on the Statement of Accounts by the Head of Finance of Electricity Pensions Services Limited (EPSL).
6. Receive a presentation on investment matters by EPTL's investment adviser.
7. Receive a presentation by the Chief Executive on changes in the roles of the Scheme Trustee and Group Trustees within the Scheme.
8. Consider matters arising out of the presentations.
9. Receive the Statement of Accounts and Auditors' report thereon, for the year ended 31 March 2009 and the Report by the Scheme Trustee for that year.
10. Consider the resolution proposed by Mr David Laws and seconded by Mr Ben Flude attached to this Agenda (see also Notes on the following page).
11. Consider the resolution proposed by Mr Jack Andrews and seconded by Mr Geoff Blackman attached to this Agenda (see also Notes on the following page).
12. Consider any other competent business (see also Notes on the following page).

Dated this 2 day of September 2009.

J Miller

Secretary of the Scheme

NOTES TO THE AGENDA

1. The Annual General Meeting of the Members of the ESPS is held for the purpose of receiving the Scheme Trustee's Report and Accounts and for the conduct of any general business of the Scheme. The Directors of EPTL, Officers of the Scheme and Scheme advisers also attend; Members' partners are welcome but may not participate in any vote which takes place.
2. Members are reminded that most matters relating to their pensions and the Scheme's investments are the responsibility of their Group Trustees rather than of the Scheme Trustee, EPTL. The Scheme Trustee cannot comment on individual Member or Group-specific matters.
3. EPTL does not assume any responsibility for the accuracy of the information contained in Members' resolutions. Members' resolutions voted on and carried at the Scheme AGM do not have any power conferred upon them, and cannot instruct EPTL, Group Trustees, Employers, or others involved in the running of the Scheme.
4. A Member may appoint the Chair or another Member attending the meeting as his or her proxy for voting on resolutions. In the event of a proxy vote being granted to a nominated Member who is not present at the AGM the proxy vote will be cast by the Chair of the meeting. Resolutions are normally decided on a show of hands, but proxy votes are reported whether or not a formal poll is taken at the meeting. Members can obtain proxy forms from their Group Administrator.
5. Members are reminded that a vote by proxy form is cast in the knowledge that the Member will not hear the discussion about the resolution.
6. Completed proxy forms should be delivered to the Secretary of the Scheme at Electricity Pensions Services Limited, 52-54 Southwark Street, London SE1 1UN by 1.30 pm on 5 October 2009.

Resolution to be proposed by Mr David Laws and seconded by Mr Ben Flude

Defined benefit pension schemes are under extreme pressure, many employers are saying that with many schemes in deficit, the ongoing costs are too high notwithstanding the reduced contributions employers enjoyed when there were fund surpluses.

OFGEM and the Government's Actuary's Department are monitoring closely the Distribution Companies and National Grid pension schemes and are seeking new ways to reduce pension costs

All ESPS scheme members are concerned that their pensions are secure.

We ask EPTL to closely monitor all potential threats to the ESPS, seek necessary legal guidance and report back to future ESPS AGM's.

Secretary's Note to the resolution

The attention of members is drawn to the notes to the Scheme AGM Agenda.

Members' resolutions voted on and carried at the Scheme AGM do not have any power conferred upon them, and cannot instruct EPTL, Group Trustees, Employers, or others involved in the running of the Scheme.

Resolution to be proposed by Mr Jack Andrews and seconded by Mr Geoff Blackman

Clause 29(1) of the Scheme Constitution reads as follows:

The Secretary or the Group Administrator (as may be appropriate) shall convene a General Meeting of the Members or of the Members associated with a Group (as the case may be) by giving, in such manner as the Scheme Trustee or the Group trustees (as the case may be) may determine, not less than fourteen days' notice of the date, place and hour appointed for such a meeting and of the business to be transacted thereat.

In recent years (and possibly since the Scheme began) notice of the ESPS AGM has been issued by the Scheme Secretary advising Group Administrators in April of the date, time and venue with a second notification in September containing the full agenda. On each occasion the Secretary has requested Group Administrators and trustees to inform their members in a "timely" manner.

Due to the fact that, in 2007, at least one Group decided to give a single and only notification to members in June/early July for the meeting being held in October, attendance at the ESPS AGM appears to have fallen. Some members have not therefore received either "timely" or complete details of recent meetings.

At a meeting on 30th June 2009, EPTL General Purposes Committee decided to "recommend" a two stage notification to members and circulated to Group trustees and Administrators a revised explanation of the Scheme AGM communication arrangements. However, they also accepted legal advice that the Secretary/Scheme Trustee's legal responsibilities would be satisfied by a minimum, single stage, notification in June/July.

This decision has been further complicated by advice from a Group legal adviser to the effect that "there is no legal requirement on the Group Trustee to send out the agenda and supporting papers to members".

In order to clarify this unsatisfactory situation, and to ensure that all members have a "timely" notification and the opportunity to see the full agenda, including any members' motions – which do not have to be submitted before the end of August – we are inviting those members who actually receive this motion to either attend the meeting and vote or use their proxy votes to seek a change in the Scheme rules as follows:

In view of recent confusion in the procedures for calling the ESPS AGM and to encourage greater member satisfaction in Scheme affairs, we request the Scheme Secretary/and Scheme employers to amend Clause 29(1) to include the words "not less than fourteen days and not more than four weeks notice of the date of, place and hour appointed for such meeting and of the business to be transacted thereat".

This would still leave an option for the early notification also to be sent in June.

Secretary's Note to the resolution

The attention of members is drawn to the notes to the Scheme AGM Agenda.

Members' resolutions voted on and carried at the Scheme AGM do not have any power conferred upon them, and cannot instruct EPTL, Group Trustees, Employers, or others involved in the running of the Scheme.

If the above resolution is carried at the Scheme AGM, Electricity Pensions Limited (EPL) will be notified. EPL may or may not decide to take any action in response to the resolution.

