

This statement is made in accordance with section 33F of the Gas Act 1986 (as amended) on behalf of Cadent Gas Limited (Cadent).

Under Section 33F of the Gas Act 1986, Cadent is required to give a statement disclosing whether the remuneration of the directors of the company is linked to service standards and, if so, the nature of the linkage.

Whilst there is no direct link between remuneration and performance against service standards in relation to basic salary, long term incentives, or pension and other benefits, the Company's performance against service standards is reviewed before annual bonus payments are decided and subsequently paid to directors.

For the year 1 April 2018 to 31 March 2019, no adjustments for standards of service were made in relation to annual bonus payments for 2017/18.

For the year 1 April 2019 to 31 March 2020, the overall performance of the company will be reviewed before bonus amounts are finalised.

Independent Directors receive a flat monthly fee for their services. They do not participate in the annual bonus arrangements and their remuneration is not linked to performance standards.