

## **ScottishPower Key Common Corporate Services**

### **Corporate Secretarial & Shareholder Services**

The Corporate Secretary manages legal and stock exchange compliance and reporting, the Company's general relationship with its shareholders, and the legal and administrative aspects of shareholder services. This department oversees the Company's requirements in terms of board of director meetings and statutory filings required by publicly traded companies. The department costs include payments to a trust bank that performs shareholder register duties on behalf of ScottishPower. All publicly traded companies incur these types of activity costs. As PacifiCorp indirectly relies on equity investment from the public, but does not directly incur shareholder service costs, an allocated share of these costs to PacifiCorp is appropriate.

### **Executive Director Services**

The senior officers of ScottishPower have responsibility for managing the entire group business, including PacifiCorp and business activities in the UK. For example, the ScottishPower executive team actively manages PacifiCorp via operational & financial planning, final budget review and approval, periodically meeting with PacifiCorp officers to review operations activities and monitor financial progress, and filling fiduciary responsibilities as members of the PacifiCorp board of directors. Additionally, the ScottishPower CEO serves as the Chairman of the Board at PacifiCorp today whereas prior to the merger the PacifiCorp CEO also held the chairman role.

### **Production and Distribution of Annual Report and Accounts and Quarterly Results**

The annual report for ScottishPower is required for stock exchange compliance and provides investors with the information necessary to provide the Company and ScottishPower with access to capital and liquidity resources. Since the merger, PacifiCorp no longer has had to produce the annual report, although the Company does continue to produce statutory and regulatory filings.

### **Disciplines of Group Finance and Corporate Strategy**

These teams consolidate the business plans, budgets, forecasts and actual results of each of the four divisions of Scottish Power to ensure that the results are cohesive and fulfill the reporting and governance requirements for the Group. The Environment department is part of Corporate Strategy and has two employees tasked with advising the Board, Executive Team and divisions on the state of compliance with environmental policy; conducting a biannual review of environmental risk; encouraging sharing of good practice and consistency of standards between the divisions.

### **Development of Senior Managers**

The Leadership and Reward team was set up to manage Executive and Senior Management Group (SMG) development & reward. The aim of this new area was to attract and retain high performing senior employees across the four ScottishPower divisions. The SMG consists of 256 managers in the US & UK. PacifiCorp employs 132 of the SMG managers. The Leadership and Reward team is tasked with developing this talent pool. The SMG are viewed as a Group resource and members are expected to gain experience across a number of business/corporate functions.

### **Dual Role Executive Team and Senior Managers**

There are a number of departments in ScottishPower Corporate and PacifiCorp corporate that perform the same function (specific to their geographical location). Where appropriate, a dual role manager is appointed with overall responsibility for both teams to ensure best practice and adherence to overall Group objectives. These people are designated “Group” employees and each of the four divisions of ScottishPower takes a proportional share. This arrangement applies to Legal; Corporate Communications; Tax; Internal Audit and Risk. There are currently three UK based people and four US based people performing these roles.

### **Long Term Incentive Plan for Executive managers**

An award of shares is part of key Executive manager’s remuneration packages, the receipt of which is dependent on the share price performance of ScottishPower.

### **Support costs associated with common Corporate Services**

This covers occupancy charges and information technology services provided to the teams discussed above.