

The image features a dark blue diagonal banner on the left side. The background is a photograph of a sunset over a landscape. In the foreground, there is a winding road through green fields. In the middle ground, several wind turbines are visible against the orange and yellow sky. The sun is a bright, glowing orb on the right side of the horizon, casting a long, warm glow across the scene.

nationalgrid

Notice of 2020 Annual General Meeting

The 2020 Annual General Meeting of National Grid plc (the 'Company') will be held at 1.45pm on Monday 27 July 2020 at National Grid's Office, 35 Homer Road, Solihull B91 3QJ.

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from an independent professional advisor. If you have sold or otherwise transferred all your shares, please pass this document together with the accompanying documents to the person who arranged the sale or transfer so they can pass these to the person who now holds the shares.

Chairman's letter



Dear shareholder,

I hope you have been keeping safe and well during the COVID-19 pandemic.

I am pleased to enclose the Notice of Meeting for the Company's Annual General Meeting ('AGM') for 2020. The AGM will be held at 1.45pm (UK time) on Monday 27 July 2020 at National Grid's Office, 35 Homer Road, Solihull B91 3QJ.

Impact of COVID-19 on the 2020 AGM

In light of the COVID-19 pandemic and the current UK government restrictions which prohibit, among other things, public gatherings, this year's AGM will be held in a different format to that of previous years, while still allowing shareholders to exercise their voting rights. The health and safety of our shareholders and colleagues is always our main priority and we are committed to supporting the UK government's efforts in relation to this pandemic.

Attendance and voting

The AGM will take place as a closed meeting. This means the AGM will be held only with the minimum number of persons in attendance as is legally required to form a quorate meeting. Two Directors, each of whom is either a shareholder, or a proxy or corporate representative appointed by a shareholder, will attend the meeting.

Please do not travel to the AGM as anyone who seeks to attend in person will be refused entry. We therefore strongly urge all shareholders to register their votes in advance by appointing the Chairman of the AGM as their proxy and giving them voting instructions. We do not recommend the appointment of any other person as your proxy as they will not be able to attend the AGM and your vote will not be counted.

To appoint a proxy you will need to complete your proxy form. Information about how to submit your proxy instructions is set out on pages 16 and 17. Notice of your appointment of a proxy should reach the Company's Registrar, Equiniti, by 1.45pm on Friday 24 July 2020.

If the Chairman of the AGM is appointed as proxy, they will vote in accordance with any instructions given to them. If the Chairman of the AGM is given discretion as to how to vote, they will vote in favour of each of the resolutions to be proposed at the AGM.

As in previous years, each resolution will be voted on by way of a poll. The results of voting on all resolutions will be announced via both a Regulatory News Service and published on our website as soon as possible after the conclusion of the AGM.

Shareholder engagement

The Board recognises the ongoing importance of communication with shareholders at this time and is pleased to confirm that the Company will be holding a live webcast for shareholders following the conclusion of the formal business of the meeting. The webcast will take place on Monday 27 July 2020, commencing at 2.00pm (UK time). Viewing the live webcast will not constitute formal attendance at the AGM.

For details on how to register for the webcast online please go to <https://investors.nationalgrid.com/shareholder-information/aggm/2020>. Shareholders are requested to register as soon as possible and ideally at least 24 hours before the start of the webcast. Please note that the webcast is intended for shareholders only.

Shareholders will be able to watch a shareholder presentation during which they will hear from me, as Chairman, and John Pettigrew, your Chief Executive.

Following these presentations, we will respond to shareholders' pre-submitted questions on the business of the AGM. Shareholders are requested to submit their questions by completing the form at <https://investors.nationalgrid.com/shareholder-information/aggm/2020>. You will be able to register questions from Thursday 25 June 2020 until 3.00pm on Monday 27 July 2020 or as such other time as the Chairman of the AGM deems appropriate in light of the number of questions received. You will be asked to supply your Shareholder Reference Number for verification. We will endeavour, where appropriate, to answer such questions from shareholders during the webcast and in any event will make available answers to all questions at <https://investors.nationalgrid.com/shareholder-information/aggm/2020> as soon as practical after the webcast.

Up to date information and any changes to the AGM arrangements or shareholder engagement webcast contained in this Notice of AGM will be available on our website at <https://investors.nationalgrid.com/shareholder-information/aggm/2020>. Please continue to check our website for updates.

Business of the meeting

The official business of the AGM is set out on pages 4 and 5.

Employee share plans

We are proud of our efforts to encourage employee share ownership in line with the creation of shareholder value and we operate a number of different share plans to facilitate this. Resolution 20 and resolution 21 in the Notice of AGM relate to the routine expiry of employee share plans and request reapproval of two of these plans: the National Grid plc Share Incentive Plan (the 'SIP') and the National Grid Sharesave Plan ('Sharesave'). The Company's existing SIP and Sharesave plans are due to expire in July 2021 prior to the commencement of the next AGM. To ensure the continuous effective running of these share plans we are seeking shareholder approval to extend the life of these plans for a further 10 years to 2030. The terms of both the SIP and Sharesave plans are substantially the same as the existing plans approved by shareholders in 2011.

Approval of increased borrowing limit

Resolution 22 seeks shareholder approval to amend the Company's borrowing limit, which includes the borrowings of its subsidiary and associated companies, by increasing the current limit from £35bn to £45bn to enable the funding of growth over the medium-term in an efficient manner. As at 31 March 2020, the Company's net borrowings, calculated in accordance with the Articles, were £28.6bn. An increase in the Company's borrowing limit requires approval by shareholders by an ordinary resolution at a general meeting. The borrowing limit was last amended at the Company's 2009 AGM when new Articles of Association were adopted.

Dividend

Our dividend policy aims to grow the ordinary dividend per share at least in line with the rate of RPI inflation each year for the foreseeable future. As is usual practice, the Board reviews this policy regularly, taking into account a range of factors including expected business performance and regulatory developments. Following stress testing of the finance of the Company against a number of potential COVID-19 scenarios, the Board has decided to recommend a final dividend in line with this policy. Accordingly, the Board has decided to recommend an increase in the final dividend to 32.0 pence per Ordinary Share (US\$2.0126 per American Depositary Share ('ADS')). If approved, this will be paid on 19 August 2020.

Resolution 2 seeks shareholder approval of the final dividend.

Directors

In line with the UK Corporate Governance Code 2018 (the 'Code'), the Board believes that Non-executive Directors should generally stay in role no longer than nine years; however, the Nominations Committee may determine that on occasion it is in the Company's best interest for a Director with particular skills, knowledge and experience to stay beyond the nine-year term.

The Nominations Committee, led by Mark Williamson, Senior Independent Director, and without me present, discussed my tenure. Due to the need to maintain continuity of knowledge and experience during the conclusion of the RIIO-2 process, the Committee determined that it would be in the Company's best interests for me to stay beyond the nine-year term identified in the Code. It was proposed that I remain as Chairman for an additional one year to 2021 and thus go over the nine-year recommendation for a Chairman of a Company. As part of the consultation meetings with investors that Mark Williamson and I had attended, there was unanimous support amongst investors that this was the right decision for the Company.

On 30 January 2020, following nearly nine years at the Company, I announced my intention to step down as Chairman in 2021 once a successor has been appointed and effectively onboarded. The Nominations Committee, led by Mark Williamson, is overseeing the externally supported search for a suitable successor, ahead of making a formal recommendation to the Board. This will therefore be the last year that I am standing for re-election. I would like to assure you that I remain committed to the Company and to delivering strong leadership on behalf of all of our stakeholders in the financial year 2020/21.

As a Board, and following conversations with certain investors last year, it has also been proposed that Paul Golby stay for a limited period beyond the expiry of his nine-year tenure in February 2021, in order for the Board to retain the knowledge and experience required to conclude the RIIO-2 process.

Dean Seavers stepped down as US Executive Director on 5 November 2019 after four years' service on the Board. Badar Khan stepped in as Interim President of the US Business and was appointed as the permanent successor on 2 April 2020.

I am pleased to announce that Liz Hewitt joined the Board as a Non-executive Director on 1 January 2020. Liz brings extensive business, financial and investment experience to the Board.

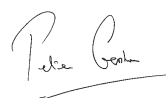
The biographies, skills and competencies of all Directors seeking election or re-election are set out in the explanations to resolutions 3 to 14 on pages 7 to 12. Also included is a statement for each Director setting out their contribution and reasons for the recommendation for election or re-election this year. In accordance with the Code, all Directors will stand for election or re-election to the Board at the AGM.

Recommendation

Your Board believes that the resolutions contained in this Notice of AGM promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all resolutions, as they intend to do in respect of their own holdings.

I would like to thank you, on behalf of the Board, for your continued support of National Grid.

Yours sincerely,



Sir Peter Gershon
Chairman

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National Grid website



COVID-19 updates and communications

Please monitor our website, at <https://investors.nationalgrid.com/shareholder-information/aggm/2020>, and any announcements for updates to the arrangements for the 2020 AGM.

Our corporate website, www.nationalgrid.com, is an important way in which we communicate with our shareholders. There is a wealth of information online, including information relating to the AGM.

Resolutions

The Annual General Meeting ('AGM') will consider the following resolutions, which in the case of resolutions 23 to 26 (inclusive) will be proposed as special resolutions, with the remainder being proposed as ordinary resolutions.

Report and accounts

1. To receive the Company's accounts for the year ended 31 March 2020, the Directors' Reports and the Auditors' Report on the accounts (the 'Annual Report').

Final dividend

2. To declare a final dividend of 32.0 pence per Ordinary Share (US\$2.0126 per American Depositary Share ('ADS')) for the year ended 31 March 2020.

Election and re-election of Directors

3. To re-elect Sir Peter Gershon as a Director.
4. To re-elect John Pettigrew as a Director.
5. To re-elect Andy Agg as a Director.
6. To re-elect Nicola Shaw as a Director.
7. To re-elect Mark Williamson as a Director.
8. To re-elect Jonathan Dawson as a Director.
9. To re-elect Therese Esperdy as a Director.
10. To re-elect Paul Golby as a Director.
11. To elect Liz Hewitt as a Director.
12. To re-elect Amanda Mesler as a Director.
13. To re-elect Earl Shipp as a Director.
14. To re-elect Jonathan Silver as a Director.

Auditors' re-appointment and remuneration

15. To re-appoint Deloitte LLP as the Company's auditors until the conclusion of the next general meeting at which accounts are laid before the Company.
16. To authorise the Audit Committee of the Board to set the auditors' remuneration.

Directors' Remuneration Report

17. To approve the Directors' Remuneration Report (excluding the excerpts from the Directors' remuneration policy set out within the Directors' Remuneration Report) set out on pages 88 – 107 in the Annual Report.

Political donations

18. To authorise the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect for the purposes of Part 14 of the Companies Act 2006 (the '2006 Act'):
 - (i) to make political donations to political parties, and/or independent election candidates not exceeding £125,000 in aggregate;
 - (ii) to make political donations to political organisations other than political parties, not exceeding £125,000 in aggregate; and
 - (iii) to incur political expenditure, not exceeding £125,000 in aggregate provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000 during the period commencing on the date of passing of this resolution and ending at the earlier of the close of the next AGM and 30 September 2021.

Words and expressions defined for the purpose of the 2006 Act shall have the same meaning in this resolution.

Renewal of authority to allot shares

19. To authorise the Directors generally and unconditionally, in accordance with Section 551 of the 2006 Act, to allot shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £145,451,540.

This authority shall expire at the earlier of the close of the next AGM and 30 September 2021 except that the Directors shall be entitled, at any time prior to the expiry of this authority, to make an offer or enter into an agreement which would, or might, require shares to be allotted or subscription or conversion rights to be granted after such expiry and the Directors may allot shares or grant rights in accordance with such offer or agreement as if the authority conferred had not expired.

Reapproval of the Share Incentive Plan

20. To:

- (i) reapprove the rules of the National Grid plc Share Incentive Plan (the 'SIP') the principal features of which are summarised in the Annex, subject to such modification as the Directors may consider necessary or desirable to maintain or obtain tax advantaged status under the terms of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003 or to take account of the requirements of the Financial Conduct Authority (or its successor(s)) or the London Stock Exchange or otherwise;
- (ii) authorise the Directors to do all things necessary and expedient to continue to operate the SIP; and
- (iii) authorise the Directors to establish or maintain such further plans for the benefit of employees outside the UK based on the SIP subject to such modifications as may be necessary or desirable to take account of any security laws, exchange control and tax legislation, provided that any shares made available under the SIP are treated as counting against any limits on individual participation in such further plans and any new shares made available under such further plans are treated as counting against any limits on overall participation in the SIP.

Reapproval of the Sharesave Plan

21. To:

- (i) reapprove the rules of the National Grid Sharesave Plan ('Sharesave') the principal features of which are summarised in the Annex, subject to such modification as the Directors may consider necessary or desirable to maintain or obtain tax advantaged status under the terms of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 or to take account of the requirements of the Financial Conduct Authority (or its successor(s)) or the London Stock Exchange or otherwise;
- (ii) authorise the Directors to adopt and do all things necessary and expedient to operate Sharesave; and
- (iii) authorise the Directors to establish or maintain such further plans for the benefit of employees outside the UK based on Sharesave subject to such modifications as may be necessary or desirable to take account of any security laws, exchange control and tax legislation, provided that any shares made available under Sharesave are treated as counting against any limits on individual participation in such further plans and any new shares made available under such further plans are treated as counting against any limits on overall participation in Sharesave.

Approval of increased borrowing limit

22. To approve, in accordance with Article 93.1 of the Articles, borrowings by the Company and/or any of its subsidiary undertakings (as calculated in accordance with Article 93) not exceeding £45,000,000,000, such approval to apply indefinitely.

Disapplication of pre-emption rights

23. Subject to the passing of resolution 19, to authorise the Directors, in accordance with Section 570 of the 2006 Act, to allot equity securities wholly for cash, including a sale of treasury shares, as if Section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this authority shall be limited to:

- (i) any such allotment or sale in connection with a pre-emptive offer; and
- (ii) any such allotment or sale, otherwise than pursuant to a pre-emptive offer, of equity securities up to an aggregate nominal value of £21,817,731.

This authority shall expire at the earlier of the close of the next AGM and 30 September 2021 except that the Directors shall be entitled, at any time prior to the expiry of this authority, to make an offer or enter into an agreement which would, or might, require equity securities to be allotted wholly or partly and treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares in accordance with such offer or agreement as if the authority conferred had not expired.

24. Subject to the passing of resolution 19, and in addition to any authority granted under resolution 23, to authorise the Directors, in accordance with Section 570 of the 2006 Act, to allot equity securities wholly for cash, including a sale of treasury shares, as if Section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this authority shall be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £21,817,731; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This authority shall expire at the earlier of the close of the next AGM and 30 September 2021 except that the Directors shall be entitled, at any time prior to the expiry of this authority, to make an offer or enter into an agreement which would, or might, require equity securities to be allotted wholly or partly and treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares in accordance with such offer or agreement as if the authority conferred had not expired.

Purchase of own shares

25. To authorise the Company generally and unconditionally, for the purpose of Section 701 of the 2006 Act, to make market purchases of its Ordinary Shares provided that:

- (i) the maximum number of Ordinary Shares that may be acquired is 351,013,155 being 10% of the Company's issued share capital (excluding treasury shares) as at 17 June 2020;
- (ii) the minimum price per Ordinary Share that may be paid for any such shares is 12^{204/473} pence; and
- (iii) the maximum price per share that may be paid for any such shares is not more than the higher of:
 - (a) an amount equal to 105% of the average closing price for an Ordinary Share, as derived from the London Stock Exchange Official List, for the five business days immediately prior to the day on which the purchase is made; and
 - (b) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the market purchase pursuant to the authority conferred by this resolution 25 will be carried out.

This authority shall expire at the earlier of the close of the next AGM and 30 September 2021 except that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would, or might, be executed wholly or partly after such expiry and to purchase Ordinary Shares in accordance with such contract as if the authority conferred had not expired.

General meetings

26. To authorise the Directors, in accordance with the Articles, to call a general meeting of the Company, other than an AGM, on not less than 14 clear days' notice.

On behalf of the Board

Alison Kay
Group General Counsel and Company Secretary

17 June 2020
National Grid plc

Registered Office: 1–3 Strand, London WC2N 5EH
Registered in England and Wales No. 4031152

Explanation of resolutions

Resolutions 23 to 26 (inclusive) will be proposed as special resolutions and will be passed if at least 75% of the votes cast (not counting votes withheld) are in favour.

The remaining resolutions will be proposed as ordinary resolutions and will be passed if more than 50% of the votes cast (not counting votes withheld) are in favour.

Resolution 1

To receive the Annual Report

The Company is required to present its report and accounts to shareholders at its AGM.

This document is available on the Company's website at www.nationalgrid.com. Paper copies can be obtained from Equiniti; see the back page for contact details.

Resolution 2

To declare a final dividend

The Company requires shareholder approval to pay a final dividend. The dividend cannot exceed the amount recommended by the Directors. If approved, the final dividend of 32.0 pence per Ordinary Share (US\$2.0126 per ADS) will be paid on 19 August 2020 to shareholders on the register of members at the close of business on 3 July 2020. The dividend is to be paid in respect of each Ordinary Share other than those Ordinary Shares in respect of which a valid election has been made, pursuant to the Company's Scrip Dividend Scheme, to receive new Ordinary Shares instead of the final dividend in cash. Dividends are declared in both pence and US\$ to ensure that holders of both Ordinary Shares and ADSs are paid the declared dividend on the same day.

Resolutions 3–14

Election and re-election of Directors

The Company's Articles require that any Director appointed to the Board retire and seek election by shareholders at their first AGM following appointment and subsequent re-election at least once every three years. Accordingly, following the appointment of Liz Hewitt on 1 January 2020, Liz will seek election at this AGM. Additionally, in accordance with the Code, it is proposed that all other Directors seek re-election at the AGM this year.

When making its recommendation to the Board in respect of the election or re-election of the Directors, the Nominations Committee considered the balance of skills, experience, independence and knowledge on the Board and confirmed that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties for the Company. Each Director proposed for re-election has also been subject to a formal performance evaluation which had regard to that Director's ability to promote the success of the Company, whilst having due regard to other stakeholders.

Accordingly, the Board has resolved that the Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties for the Company. Additionally, the Board has determined that, other than the Chairman, each of the Non-executive Directors at year end continues to be independent.

The Board considers that the independent character and judgement of the Non-executive Directors and the varied and relevant experience of all the Directors combine to provide an appropriate balance of skills and knowledge. In the Board's view, this illustrates why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success. Therefore, the Board recommends the election of Liz Hewitt and the re-election of all other Directors.

The biographical details of all Directors and a statement on their contributions and reasons for election or re-election are set out on the following pages.

Committee membership key

A	Audit Committee
F	Finance Committee
N	Nominations Committee
R	Remuneration Committee
S	Safety, Environment and Health Committee
E	Executive Committee
◆	Chair of the Committee

Biographies as at 17 June 2020

Resolution 3



To re-elect Sir Peter Gershon CBE FREng, Chairman

Appointed: 1 August 2011 as Deputy Chairman and Chairman with effect from 1 January 2012

Committee membership:



Tenure: 8 years

Skills and competencies: Sir Peter is an experienced leader, having held senior board-level positions in the computer, defence and telecommunications industries. He has served as a Managing Director in several high-profile organisations and was previously Chairman of Tate and Lyle plc. Sir Peter is committed to engaging with employees, for example, through site visits in the UK and US. He annually hosts the Chairman's Awards, an excellent opportunity to appreciate employees at National Grid; and further engages through the recent employee engagement sessions. Sir Peter brings external insight, understanding of diverse issues and the strong corporate governance expertise required to create and lead an effective Board.

External appointments:

- Chairman of the Drednought Alliance Leadership Board;
- Trustee of The Sutton Trust;
- Trustee of the Education Endowment Foundation;
- Chairman of Join Dementia Research (JDR) Partnership Board; and
- Board member of The Investor Forum.

Contributions and reasons for re-election

Sir Peter has extensive international leadership experience across computer, defence and telecommunications industries. During his tenure, Sir Peter has built a culture of openness and constructive debate in the boardroom and has maintained an inclusive and diverse Board. He has continually contributed to evolving how the Board interacts and engages with the workforce, hosting several employee engagement sessions and celebrating the great work and dedication of National Grid's employees at the annual Chairman's Awards. Sir Peter actively promotes investing in people and inspiring future generations, encouraging a diverse and inclusive talent pool to study STEM subjects at all ages.

Sir Peter's UK government perspective and knowledge of regulated businesses has been vital during the RIIO-2 process in the UK. As reported in last year's Annual Report and Accounts the Nominations Committee had determined, following consultation with investors that it would be in the Company's best interest for Sir Peter to remain as Chairman for an additional year until 2021 in order to maintain continuity of knowledge and experience during the conclusion of the RIIO-2 process.

Resolution 4



To re-elect John Pettigrew FEI FIET, Chief Executive

Appointed: 1 April 2014 and Chief Executive with effect from 1 April 2016

Committee membership:



Tenure: 6 years

Skills and competencies: John joined the Group as a graduate in 1991 and has progressed through many senior management roles. Together with his extensive operational experience of the Group, John brings significant know-how and commerciality to his leadership of the executive team and management of the Group's business.

John continues to lead the implementation and development of the Group's strategy, creating new opportunities for the continued future growth of our core businesses. He maintains a productive dialogue with institutional investors on Group strategy and performance.

External appointments:

- Member of the UK government's Inclusive Economy Partnership;
- Member of the CBI's President's Committee;
- Member of the Edison Electric Institute Executive Committee; and
- Non-executive Director and Senior Independent Director of Rentokil Initial plc.

Contributions and reasons for re-election

Since joining the Group as a graduate John has obtained a thorough understanding of the Group and has developed his leadership skills through several senior management roles in both the UK and the US.

As Chief Executive, John has demonstrated to the Board his ongoing commitment to safety and optimising operational and financial performance. His deep understanding of the energy industry, together with his strong skills in leadership, commerciality and engineering are essential to delivering the Group's strategic priorities in the years ahead. His vision of 'bringing energy to life' embraces technological and innovative changes to ensure that the Group evolves for the future.

The Group's target to reduce greenhouse gas emissions to net zero by 2050 is an example of John's commitment and ambition to lead the Group in delivering a cleaner future. As part of John's vision, National Grid is expected to help create 400,000 new job opportunities throughout the UK. John's influence as a leader in clean energy led to the Company being asked to sponsor the UN Climate Change Summit 2020, which has been postponed due to COVID-19. In addition to this, under John's leadership, during 2019/20 £150 million was distributed to the Warm Homes Fund, which helps to address fuel poverty in England, Scotland and Wales. The US business worked with the public transit authority, in Albany, New York to launch electric buses, providing electric transport options in the community.

John has demonstrated his capabilities to bring the Group's vision and strategy to fruition to ensure that long term sustainable success is achieved for our stakeholders.

Explanation of resolutions continued

Resolution 5



To re-elect Andy Agg,
Chief Financial Officer (CFO)
Appointed: 1 January 2019

Committee membership:



Tenure: 1 year

Skills and competencies: Andy trained and qualified as a chartered accountant with PricewaterhouseCoopers and is a member of the ICAEW. He has significant financial experience, having held a number of senior finance leadership roles across the Group, including Group Financial Controller, UK CFO and Group Tax and Treasury Director. Andy brings in-depth knowledge of National Grid, both in the UK and US, and his broad experience across operational and corporate finance roles led to a smooth transition into his role. He contributes broadly on a wide range of topics at Board, Finance and Audit Committee meetings.

External appointments: None.

Contributions and reasons for re-election

Andy is a chartered accountant and has valuable insight of the Group, having spent over a decade at National Grid. His strong financial management skills combined with his impressive track record as a senior leader in finance allow him to effectively shape discussions relating to financial risks in the boardroom. Since becoming CFO, Andy has demonstrated in a short time his ability to drive efficiency programmes in the US and UK, together with a focus on generating shareholder value through helping to deliver the Group's growth strategy and dividend policy. In January 2020, Andy successfully achieved an impressive milestone with the launch of the Group's first green bond, raising €500 million (approximately £430 million). The green bond will help accelerate the Group's strategic commitment to net zero, as the proceeds will finance UK electricity transmission projects with an environmental benefit, such as energy efficiency or cleaner transportation.

Resolution 6



To re-elect Nicola Shaw CBE,
Executive Director, UK
Appointed: 1 July 2016

Committee membership:



Tenure: 3 years

Skills and competencies: Nicola's career, in the UK and overseas, has included several senior operational and commercial roles in regulated businesses. She has a strong leadership track record, which has included Chief Executive Officer of HS1 and Managing Director of the UK Business Division at FirstGroup plc.

Her broad range of experience working with the UK government, the European Commission and Parliament and industry regulators, as well as leading large regulated businesses, enables Nicola to implement Board decisions and lead our UK business with the requisite experience, knowledge and leadership expertise.

External appointments:

- Non-executive Director of International Consolidated Airlines Group, S.A.;
- Director of Major Projects Association;
- Director of Energy Networks Association Limited; and
- Director of Energy UK.

Contributions and reasons for re-election

Nicola is an accomplished leader having held senior management roles at highly regulated businesses. Her dedication and leadership played a vital role in ensuring that robust plans were made to prepare the Group for Brexit, utilising her experience of working with the UK government and the European Commission.

Since becoming Executive Director, UK, she has been successful in delivering a strong customer strategy, optimising operational performance and continuing to engage and build strong relationships with Ofgem and other key stakeholders. She delivers strong leadership in helping the Group to achieve its net zero strategy and complete its RII0-2 business plans, delivering affordable and clean energy for consumers.

Nicola's achievements demonstrate her ability to focus on the Group's strategic priorities and lead the way to sustainable future success. Her wealth of operational experience enables the Group to deliver enhanced productivity and customer experience.

Resolution 7



To re-elect Mark Williamson,
Non-executive Director
and Senior Independent Director
Appointed: 3 September 2012

Committee membership:



Tenure: 7 years

Skills and competencies: As a qualified chartered accountant, Mark brings considerable financial and general managerial experience to the Company. His previous roles as Chief Financial Officer of International Power plc, Non-executive Director and Senior Independent Director of Alent plc and Chairman of Imperial Brands PLC cement his extensive financial experience and give him a deep understanding of the utilities sector. This allows him to bring a financial and strategic outlook on diverse subjects in support of the Board and its Committees. Mark acts as an effective board evaluator, provides a logical eye, and makes impartial judgements weighing up options for the Board in a dispassionate way. In his role as Senior Independent Director, Mark brings an excellent understanding of investor expectations as well as providing significant insight into managing relationships with investor and financial communities.

External appointment:

- Chairman of Spectris plc.

Contributions and reasons for re-election

Mark brings in-depth financial knowledge to the Group gained from his previous external roles as a Chief Financial Officer, Financial Controller and Chief Accountant. Mark has developed a deep understanding of the utilities sector having worked at International Power plc. This role, combined with his experience at Board level in FTSE 250 companies, most recently his experience as Chairman at Imperial Brands PLC and his current role as Chairman of Spectris plc, provide Mark with the requisite skills to effectively guide the Audit Committee in managing financial risks and ensuring alignment to the Group's strategic priorities.

Mark is the Senior Independent Director at National Grid and the Board is satisfied that Mark remains independent in accordance with the criteria set out in the UK Corporate Governance Code 2018. As Senior Independent Director, Mark is able to bring the views and concerns of investors and shareholders to Board and Audit Committee discussions. Mark, in his role as Senior Independent Director, is currently leading the process for the appointment of the next Chairman. In his role as Chair of the Audit Committee, Mark provides robust scrutiny and oversight over the Company's audit governance framework, financial reporting, internal risk management and controls in which regard he continues to constructively challenge the external auditor, currently Deloitte LLP, and management.

Resolution 8



To re-elect Jonathan Dawson,
Non-executive Director;
Independent
Appointed: 4 March 2013

Committee membership:



Tenure: 7 years

Skills and competencies: Jonathan, through his broad range of expertise within the finance and pensions sector, brings significant in-depth understanding in remuneration and financial matters to his role as Chair of the Remuneration Committee. Jonathan previously held positions as Chairman of the Remuneration Committee and Senior Independent Director of Next plc and Senior Independent Director and Chairman of the Audit & Risk Committee at Jardine Lloyd Thompson Group plc.

As a Non-executive Director, Jonathan brings an innovative perspective, scrutiny, constructive challenge and independent oversight to the Board.

External appointments:

- Chairman of River and Mercantile Group PLC; and
- Chairman and a founding partner of Penfida Ltd.

Contributions and reasons for re-election

Jonathan brings to the Group an extensive set of business skills gained from previous experience in the finance and pension sectors. He has significant external experience as a Board member where he has served as Chair for remuneration, audit and nomination committees in several companies. Jonathan's past exposure to UK government and his financial expertise, allows him to contribute to discussions on financial and regulatory risks challenging the Group.

Jonathan has engaged extensively with our major investors and brings their viewpoint to Board discussions, helping to support the drive to create shareholder value. At the 2019 AGM the Directors' remuneration policy was approved by shareholders; during the process to create the new policy, Jonathan listened to shareholders' concerns on Executive Directors' pension contributions, which were reduced to align with shareholder and investor expectations. In developing the next Directors' remuneration policy, pensions and RIIO-2 price controls will be closely monitored and will be an area of focus for Jonathan and the Remuneration Committee.

Explanation of resolutions continued

Resolution 9



To re-elect Therese Esperdy,
Non-executive Director;
Independent

Appointed: 18 March 2014.
Appointed to the Board of National
Grid USA from 1 May 2015

Committee membership:



Tenure: 6 years

Skills and competencies: Therese has significant international investment banking experience, having held a variety of leadership roles spanning 27 years. Her career began at Lehman Brothers and in 1997 she joined Chase Securities and subsequently JPMorgan Chase & Co., where she held a number of senior positions. With a distinguished career in the investment banking sector, Therese brings significant banking, strategic and international financial management expertise and knowledge of financial markets to the Board and to her role as Chair of the Finance Committee.

Therese’s specialist knowledge combined with her sharp and incisive thinking enables her to contribute and constructively challenge on a wide range of Board debates.

External appointments:

- Chairman of Imperial Brands PLC; and
- Non-executive Director of Moody’s Corporation.

Contributions and reasons for re-election

Therese brings a wealth of corporate finance and debt market experience to the Board. She has significant leadership experience in the US, which brings an essential insight to Board and Committee discussions. Her extensive exposure to financing matters, mergers and acquisitions and investment banking are vital in contributing to the Group’s strategic priorities to grow the core business and manage financial risks. Therese’s background as a senior investment banker combined with her financial expertise allows her to be a strong Chair of the Finance Committee. Therese is committed to engaging with employees and ensuring their voices reach the boardroom; she hosted an informal session with members of the finance team during the year, providing an opportunity to engage and promote communications between the Finance Committee and members of the finance team. As Chair, she is able to focus the Committee’s attention on key topics including the financial implications of RIIO-2 and green financing frameworks.

Resolution 10



To re-elect Dr Paul Golby CBE
FREng, FIET, FIMechE, FEI,
FCGI, Non-executive Director;
Independent

Appointed: 1 February 2012

Committee membership:



Tenure: 8 years

Skills and competencies: Paul is a Chartered Engineer and has a lifelong passion for engineering and innovation, having spent his career in the energy and regulatory sectors. He brings a valuable engineering and industry perspective to the Board as well as the attributes of an experienced Chairman and Chief Executive to his role as a Non-executive Director. Paul’s deep understanding and specialised experience in safety and risk management combined with his deep insight into regulatory issues faced by the Group, particularly in the UK, is crucial to his role as Chair of the Safety, Environment and Health Committee.

External appointments:

- Chairman of Costain Group PLC; and
- Chairman of NATS Holdings Limited.

Contributions and reasons for re-election

Paul is a chartered engineer who has spent much of his career in the energy and regulatory sectors. His experience in engineering and innovation allows him to contribute to Board discussions on how to future proof the business and evolve for the future. Paul’s experience as Chairman of Costain Group PLC and NATS Holdings Limited is highly valuable to the Board and combined with his expertise in safety management, makes him a very capable Chair of the Safety, Environment and Health Committee. In this role, he monitors and challenges the Group’s safety risks and strategy, climate change risks and opportunities as well as supporting the Group on its journey towards a proactive safety culture. His oversight of key safety, environmental and health risks facing the Group also makes him an invaluable member of the Audit Committee.

Following conversations with certain investors last year, the Board proposed that Paul Golby stay for a limited period beyond the expiry of his nine-year tenure in February 2021, in order for the Board to maintain the knowledge and experience required to conclude the RIIO-2 process.

Resolution 11



To elect Liz Hewitt,
Non-executive Director;
Independent
Appointed: 1 January 2020

Committee membership:



Tenure: Less than 1 year

Skills and competencies: Liz qualified as a chartered accountant with Arthur Andersen & Co. and has held a variety of executive positions in private equity companies including 3i Group plc, Gartmore Investment Management Limited and Citicorp Venture Capital Ltd. Liz was also Director of Corporate Affairs at Smith & Nephew plc. Liz brings significant business, financial and investment knowledge to the Board, and has wide experience of being a chair and a member of audit, remuneration, nominations, disclosure, risk and corporate social responsibility committees. Liz's diverse knowledge and broad range of financial expertise is a great addition to the boardroom bringing a fresh, logical perspective to Board discussions and decision-making.

External appointments:

- Senior Independent Director and chair of the Audit Committee at Melrose Industries plc;
- Non-executive Director and chair of the Audit Committee at Novo Nordisk A/S; and
- External member of the House of Lords Commission and chair of its Audit Committee.

Contributions and reasons for election

Liz is a chartered accountant and brings strong financial, investment and audit skills to the Group, gained from her broad experience in different industry sectors. Her experience working for the UK government as well as her knowledge of regulated businesses provides her with the necessary skills to contribute to discussions surrounding regulatory risks. Liz is an experienced board member with many years' worth of knowledge chairing audit committees at international businesses, making her well placed to serve on the Audit Committee at National Grid. Liz has introduced a fresh perspective to discussions at the Board and Committees due to her diverse background and her skill set aligns well in supporting the Board to achieve its strategic priorities. Her experience on other boards allows her to bring much insight into best practice on safety, environment and crisis issues, to the boardroom. This has been particularly helpful during the COVID-19 pandemic.

Resolution 12



To re-elect Amanda Mesler,
Non-executive Director;
Independent
Appointed: 17 May 2018

Committee membership:



Tenure: 2 years

Skills and competencies: Amanda brings to the Group extensive international leadership and general management experience from the technology and fintech sectors. She has over 26 years of experience at senior management and Board level at large international companies. She led a \$1 billion global practice at Electronic Data Services and has experience sitting on audit, risk and remuneration committees. Amanda provides an entrepreneurial perspective to the Board and valuable insight into the Company's increasingly important technical evolution.

External appointments:

- Chief Executive Officer of CashFlows Europe Limited; and
- Non-executive Director of Insect Technology Group Holdings Limited.

Contributions and reasons for re-election

Amanda brings long-term significant experience of leadership skills to the Group and has significant experience in senior management positions. Her experience at executive level is particularly strong where she has held positions as Chief Executive Officer, Chief Operating Officer and Corporate Strategy Officer in various companies. This provides her with a deep understanding of the role and responsibilities of the executive team at National Grid.

Amanda's exposure to operations spans across several business areas including strategy, mergers and acquisitions, supply chain, as well as services and support. She brings an important perspective to the Board with her expertise in technology combined with her knowledge in improving customers' experiences through innovation. During her career, she has successfully led digital transformation in businesses and was recognised by the UK government as an 'Exceptional Talent in Digital Technology'.

In the rapidly changing energy landscape facing the Group, Amanda's experience is key. Her wide-ranging knowledge will provide guidance to the Group on future proofing the business through technological advances alongside optimising business performance.

Explanation of resolutions continued

Resolution 13



To re-elect Earl Shipp,
Non-executive Director;
Independent

Appointed: 1 January 2019

Committee membership:



Tenure: 1 year

Skills and competencies: With an extensive career in the chemicals industry and having held a senior leadership role in a safety-critical process environment, Earl brings significant safety, project management, environmental, sustainability and strategic expertise to the Board and Committees. This along with his innovative way of thinking, enables Earl to contribute on a wide range of issues to Board and Committee debates, particularly in relation to safety management.

External appointments:

- Non-executive Director of Olin Corporation;
- Non-executive Director of CHI St. Luke's Health System of Texas; and
- Commissioner of Brazoria-Fort Bend Rail District (Texas).

Contributions and reasons for re-election

Earl has substantial experience in the global industrial and energy sectors both as an executive and non-executive director. He has shown throughout his career business leadership, large project management skills, and leading pioneering technology innovation. He has significant international business leadership experience in Asia, Europe, Africa and the Middle East. He was a charter member of a US Federal Reserve Advisory Committee for the Bank of Atlanta. Earl has had a track record of successfully leading transformative growth projects in the chemical industry. He has developed an important network of key stakeholders which has been of huge benefit during the downstate New York moratorium and external reviews. His deep knowledge in sustainability and the environment, combined with his strategic experience, will assist the Group in its strategy in helping to shape the energy landscape and evolve for the future. His proficiency in safety and health performance leadership will also support the Board's focus on the Group's risk awareness around safety management.

Resolution 14



To re-elect Jonathan Silver,
Non-executive Director;
Independent

Appointed: 16 May 2019

Committee membership:



Tenure: 1 year

Skills and competencies: Jonathan has considerable knowledge of the US-regulated energy environment, experience and understanding of integrating public policy and technology into a utility as well as a strong background in finance. Previously, Jonathan was the head of the US government's \$40 billion clean energy investment fund. He is currently the Managing Partner of Tax Equity Advisors LLC, which manages investment in large-scale renewable projects and was recognised as one of the 'Top 10 Green Tech Influencers' in the US. Jonathan's strong background in finance and government policy along with his long career at the intersection of policy, technology, finance, and energy brings innovative and positive insight to the Board's policy discussions and to its interaction with management.

External appointments:

- Managing Partner of Tax Equity Advisors LLC;
- Director of Plug Power Inc; and
- Director of Intellihot Inc.

Contributions and reasons for re-election

Jonathan brings strong financial skills to the Board with a deep understanding of US regulation and the US energy sector. His extensive experience working with US government policy and regulation provides an invaluable insight to Board and Committee discussions in relation to US regulatory risks. His wide-ranging knowledge of the technology industry, clean energy and his understanding of the US investment market supports the Group's strategic priority to grow the core business. Jonathan's professional network includes people holding roles within US government and regulatory policy thinkers who are vital in helping to shape the future of the US business. His innovative style and recognition as one of the Top 10 Green Tech Influencers in the US brings a fresh forward-looking perspective to the Group and to the Board and supports its evolution for the future.

Resolutions 15 and 16

Auditors' re-appointment and remuneration

The Audit Committee oversees the relationship with the external auditors. During the year, the Audit Committee considered the auditors' terms of engagement (including remuneration), as well as their independence and objectivity. The Audit Committee is also responsible for the external auditor selection procedure and for making recommendations regarding the appointment and re-appointment of the external auditors to the Board for shareholder approval.

The Audit Committee considered the effectiveness and performance of the auditors and the audit process, and concluded that it was satisfied with the auditors' performance. The Audit Committee unanimously recommended to the Board the re-appointment of Deloitte LLP. Further details of the work carried out by the Audit Committee are set out on pages 76 – 81 of the Annual Report.

Resolution 15

To re-appoint the auditors Deloitte LLP

It is a requirement that the Company's auditors must be re-appointed annually at each general meeting at which accounts are laid before the Company, which will normally be at each AGM. This resolution proposes the re-appointment of Deloitte LLP as the Company's auditors for the year ending 31 March 2021.

Resolution 16

To authorise the Audit Committee of the Board to set the auditors' remuneration

This resolution proposes the Audit Committee be authorised to set the auditors' remuneration.

The Board is seeking authority for the Audit Committee to consider and approve the audit fees on behalf of the Board in accordance with the Competition and Markets Authority Audit Order 2014.

Resolution 17

Directors' Remuneration Report

This resolution deals with the remuneration of the Directors and seeks approval for the remuneration paid to the Directors during the year under review.

The Company is required to ask shareholders to approve the remuneration policy section of the Directors' Remuneration Report at least every three years or if changes have been made to the policy. The remuneration policy was approved by shareholders at the 2019 AGM, and as no changes are being proposed to the policy this year, the remuneration policy is not being presented for approval this year. However, the Company is required to propose the remainder of the Directors' Remuneration Report as an advisory resolution each year. This means that, should shareholders vote against the Directors' Remuneration Report, the Directors can still be paid but the Remuneration Committee will reconsider the Directors' remuneration policy going forward. The Directors' Remuneration Report is set out on pages 88 – 107 of the Annual Report.

Resolution 18

To authorise Directors to make political donations

As in previous years and as a precautionary measure only, the Directors are seeking shareholders' authority for the Company to make political donations and to incur political expenditure, as defined by the 2006 Act.

The 2006 Act requires companies to obtain shareholders' approval for donations to registered political parties and other political organisations totalling more than £5,000 in any twelve-month period, and for any political expenditure, subject to limited exceptions. However, the definitions of these terms in the 2006 Act are very wide and as a result this can cover bodies such as those concerned with policy review, law reform and the representation of the business community (for example trade organisations). It could include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or influence support for a particular party.

The 2006 Act states that all-party parliamentary groups are not political organisations for these purposes, meaning the authority proposed in this resolution is not relevant to interactions with such groups.

The Company has no intention of changing its current practice of not making political donations or incurring political expenditure in the UK within the ordinary meaning of those words. The Directors consider, however, that it is in the best interests of shareholders for the Company to participate in public debate and opinion-forming on matters which affect its business. To avoid inadvertent infringement of the 2006 Act, the Directors are seeking shareholders' authority, on a precautionary basis only, for the Company and its UK subsidiaries to make political donations and to incur political expenditure for the period from the date of the AGM to the earlier of the close of the next AGM and 30 September 2021 up to a maximum aggregate amount of £125,000.

Resolution 19

To authorise the Directors to allot Ordinary Shares

The purpose of resolution 19 is to renew the Directors' power to allot shares. The authority will allow the Directors to allot new shares, or to grant rights to subscribe for or convert any security into shares, up to a nominal value of £145,451,540 (representing approximately 1,170,043,851 Ordinary Shares), which is equivalent to approximately 33% of the issued share capital of the Company, exclusive of treasury shares, as at 17 June 2020.

The Directors consider that the Company will have sufficient flexibility with this lower level of authority to respond to market developments. This authority is in line with investor guidelines.

The Directors currently have no intention of issuing new shares, or of granting rights to subscribe for or to convert any security into shares, except in relation to, or in connection with, the operation and management of the Company's Scrip Dividend Scheme and the exercise of options under the Company's employee share plans.

The Company expects to actively manage the dilutive effect of share issuance arising from the operation of the Scrip Dividend Scheme. In some circumstances, additional shares may be allotted to the market for this purpose under the authority provided by this resolution. If required for this purpose, it is expected that the associated allotment of new shares (or rights to subscribe for or convert any security into shares) will not exceed 1% of the issued share capital (excluding treasury shares) per annum.

This authority will be subject to renewal annually. If the resolution is passed, the authority will expire at the earlier of the close of the next AGM and 30 September 2021.

As at 17 June 2020, the number of Ordinary Shares in issue was 3,780,237,016 and the Company held 270,105,462 of these Ordinary Shares as treasury shares, representing 7.70% of the issued share capital excluding treasury shares.

Explanation of resolutions continued

Resolution 20

Reapproval of the National Grid plc Share Incentive Plan (the 'SIP')

The SIP was originally approved by shareholders in 2001, was first operated in 2003 and was reapproved by shareholders in 2011. Shareholder authority to operate the SIP will expire in July 2021 and shareholders are now being asked to reapprove the SIP so that it can continue to be operated. The rules of the SIP are substantially in the same form as when shareholders approved them in 2011.

The SIP is an all-employee plan, designed to qualify for tax advantaged status under the terms of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003. It allows employees to be awarded free or matching shares, to use deductions from salary to buy partnership shares and to reinvest dividends into dividend shares with all shares held in trust. The rules of the SIP contain all these elements, and the Directors have power to decide which, if any, of them should be implemented. To date the SIP has only been operated in respect of partnership shares and dividend shares and it is currently intended to continue operating the SIP on this basis.

The SIP operates in conjunction with a UK resident trust, which holds shares on behalf of employees.

The proposed rules of the SIP will be available for inspection during normal business hours on Monday to Friday (excluding UK public holidays) at the offices of Linklaters LLP at One Silk Street, London, EC2Y 8HQ from the date of this document until the close of the AGM and at the place of the AGM for at least 15 minutes before the AGM and during the AGM.

Resolution 21

Reapproval of the National Grid Sharesave Plan ('Sharesave')

Sharesave was approved by shareholders, and first operated, in 2011. Shareholder authority to operate Sharesave will expire in July 2021. Shareholders are therefore being asked to reapprove Sharesave so that it can continue to be operated. The proposed rules of Sharesave are substantially in the same form as when shareholders approved them in 2011.

Sharesave is an all-employee plan, designed to qualify for tax advantaged status under the terms of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003, under which UK employees may be invited to apply for options to acquire shares.

The number of shares over which the option is granted is determined by the amount the employee commits to save under a savings contract which may include a tax free bonus added to the savings at the end of the savings contract.

The proposed rules of Sharesave will be available for inspection during normal business hours on Monday to Friday (excluding UK public holidays) at the offices of Linklaters LLP at One Silk Street, London, EC2Y 8HQ from the date of this document until the close of the AGM and at the place of the AGM for at least 15 minutes before the AGM and during the AGM.

Please see the Annex for a summary of the principal features of the proposed SIP and Sharesave.

Resolution 22

Approval of increased borrowing limit

Resolution 22 is proposed to amend the borrowing limit in the Articles with immediate effect from £35bn to £45bn to enable the funding of growth over the medium-term in an efficient manner. As at 31 March 2020, the Company's net borrowings, calculated in accordance with the Articles, were £28.6bn. The borrowing limit was last amended at the Company's 2009 AGM when new Articles of Association were adopted.

In accordance with the Articles, an increase of the borrowing limit contained in Article 93.1 requires approval by shareholders by ordinary resolution at a general meeting. This approval will apply on an indefinite basis (unless it is further amended with the approval of shareholders) and, subject to the passing of resolution 22, the increased borrowing limit of £45bn will be incorporated into the Articles when the Articles are next updated.

Resolutions 23 to 26 are special resolutions and will be passed if at least 75% of the votes cast (not counting votes withheld) are in favour.

Resolutions 23 and 24

To disapply pre-emption rights

If the Directors allot new shares or other equity securities, or sell treasury shares, for cash (other than in connection with an employee share plan), they must first offer them to existing shareholders in proportion to their existing holdings (known as pre-emption rights).

For the purposes of these resolutions:

- "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to (i) holders of Ordinary Shares (other than the Company) on the register on a record date fixed by the Directors in proportion to their respective holdings and (ii) other persons so entitled by virtue of the rights attaching to any other securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- references to an allotment of equity securities shall include a sale of treasury shares; and
- the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

The authorities will expire at the earlier of the close of the next AGM and 30 September 2021. A renewal of these authorities is intended to be proposed at each subsequent AGM.

The Directors consider the authorities in resolutions 23 and 24 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

Resolution 23

Limited disapplication of pre-emption rights

Part (i) of resolution 23 seeks shareholders' approval to allot a limited number of new Ordinary Shares or other equity securities, or sell treasury shares, for cash on a pre-emptive basis but subject to such exclusions or arrangements as the Directors may deem appropriate to deal with certain legal, regulatory or practical difficulties. For example, in a pre-emptive rights issue, there may be difficulties in relation to fractional entitlements or the issue of new shares to certain shareholders, particularly those resident in certain overseas jurisdictions.

The Directors have no current intention of exercising the authority under part (i) of resolution 23 but consider the authority to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue having made appropriate exclusions or arrangements to address such difficulties.

In addition, there may be circumstances when the Directors consider it in the best interests of the Company to allot a limited number of Ordinary Shares or other equity securities, or sell treasury shares for cash on a non pre-emptive basis. The Statement of Principles published by the Pre-Emption Group in March 2015 (the 'Statement of Principles') supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5% of issued ordinary share capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of part (ii) of resolution 23 is to authorise the Directors to allot new Ordinary Shares and other equity securities pursuant to the allotment authority given by resolution 19, or sell treasury shares, for cash up to a nominal value of £21,817,731, equivalent to 5% of the total issued ordinary share capital of the Company excluding treasury shares and 4.64% of the total issued ordinary share capital of the Company including treasury shares, as at 17 June 2020, without the shares first being offered to existing shareholders in proportion to their existing holdings.

The Directors intend to continue to adhere to the provisions of the Statement of Principles and not to allot shares or other equity securities or sell treasury shares for cash on a non pre-emptive basis pursuant to the authority in resolution 23 in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company, excluding treasury shares, within a rolling three-year period, other than:

- (i) with prior consultation with shareholders; or
- (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Resolution 24

Limited disapplication of pre-emption rights in the event of financing an acquisition transaction or other capital investment

The Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than an additional 5% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions of the Pre-Emption Group, the purpose of resolution 24 is to authorise the Directors to allot new Ordinary Shares and other equity securities pursuant to the allotment authority given by resolution 19, or sell treasury shares, for cash up to a further nominal amount of £21,817,731, equivalent to 5% of the total issued ordinary share capital of the Company excluding treasury shares and 4.64% of the total issued ordinary share capital of the Company including treasury shares, as at 17 June 2020, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in resolution 24 is used, the Company will publish details of the placing in its next annual report.

Resolution 25

To authorise the Company to purchase its own Ordinary Shares

In some circumstances, the Company may find it advantageous to have the authority to purchase its own shares in the market. The Directors believe that it is an important part of the financial management of the Company to have the flexibility to repurchase issued shares in order to manage its capital base.

The Company will seek to purchase shares where the Directors believe this would be in the best interests of shareholders generally, for example, to manage share dilution created by take-up of the scrip dividend option that is above the level required to maintain appropriate balance sheet strength. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment and financing opportunities and the overall financial position of the Company.

Further to the explanatory note to resolution 19, the dilutive effect of share issuance arising from the operation of the Scrip Dividend Scheme may be actively managed through the repurchase of the Company's shares. It is expected that such issuance under the Scrip Dividend Scheme, or any such associated repurchases, will not exceed 2.5% of the issued share capital (excluding treasury shares) per annum. It is intended that, in line with recent practice, repurchased shares will be held as treasury shares.

Repurchased shares may be held as treasury shares by the Company, and resold for cash, cancelled, either immediately or at some point in the future, or used for the purposes of employee share plans.

During the financial year ended 31 March 2020, the Company did not purchase any Ordinary Shares in the capital of the Company. This resolution complies with investor guidelines, which limit share purchases to 10% of the issued share capital (excluding treasury shares) per annum.

As at 17 June 2020, options were outstanding over 23,598,397 Ordinary Shares, representing approximately 1% of the issued share capital (excluding treasury shares). If the proposed market purchase authority were used in full, shares over which these options were outstanding would represent approximately 1% of the adjusted share capital (excluding treasury shares).

Resolution 26

To authorise the Directors to hold general meetings on 14 clear days' notice

The Company's Articles allow the Directors to call general meetings of the Company, other than AGMs, on a minimum of 14 clear days' notice. Under Section 307A of the 2006 Act, annual shareholder approval is required to call such meetings on such notice (rather than on 21 days' notice). Accordingly, to retain flexibility, the Directors are seeking authority this year to be able to call general meetings, other than AGMs, on not less than 14 clear days' notice. The approval will be effective until the Company's next AGM when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where flexibility is merited by the business of the meeting and it is thought to be to the advantage of shareholders as a whole. The Company will make available to all shareholders an electronic voting facility for any meeting held on 14 clear days' notice.

Notes

Eligibility to vote

- To be entitled to vote at the AGM, shareholders must be included in the register of members of the Company as at 6.30pm on Friday 24 July 2020 or, in the event that this AGM is adjourned, in the register of members as at 6.30pm, two working days before the date of any adjourned AGM. Such eligible shareholders shall be entitled to vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.30pm on Friday 24 July 2020 or, in the event that this AGM is adjourned, in the register of members as at 6.30pm, two working days before the date of any adjourned AGM, shall be disregarded in determining the rights of any person to vote at the AGM.
- Registered holders of Ordinary Shares are entitled to attend, speak and vote, either in person or by proxy, at general meetings of the Company. **However, for this year's AGM, in light of the COVID-19 pandemic, shareholders are not permitted to attend the AGM. We strongly advise that shareholders appoint the Chairman of the AGM as their proxy to vote in accordance with their instructions. Please refer to the section headed "Impact of COVID-19 on the 2020 AGM" in the Chairman's letter to which this Notice of AGM is attached for further information.**
- Each of the resolutions to be put to the meeting will be voted on by a poll and not by a show of hands. A poll reflects the number of voting rights exercisable by each shareholder and so the Directors consider it a more democratic method of voting. The results will be published on the Company's website and notified to the UK Listing Authority once the votes have been verified.

Issued share capital and total voting rights

- As at 17 June 2020 (being the latest practicable date before publication of this Notice of AGM), there were 3,780,237,016 Ordinary Shares in issue, carrying one vote each, and 270,105,462 shares held in treasury. Shares held in treasury do not have voting rights. Therefore, the total number of voting rights exercisable as at 17 June 2020 is 3,510,131,554.

Appointing a proxy

- A shareholder of the Company who is entitled to attend, speak and vote at the AGM but is unable or does not wish to attend is entitled to appoint a proxy or proxies to attend, speak and vote on their behalf. A proxy does not need to be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. You can instruct your proxy how to vote. Where no specific instruction is given, your proxy may vote at their discretion or withhold from voting, as they see fit. Your proxy will also vote (or withhold from voting) as they think fit in relation to any other matter which is validly put before the meeting. Unless specified otherwise, the Chairman of the AGM will act as proxy and vote on a poll as directed by the appointing shareholder. Shareholders will, as applicable, have been sent a personalised Proxy Card or alternatively will be able to complete a proxy form online at www.sharevote.co.uk.

Voting by proxy

- By post:** To be valid, Proxy Cards must be received by no later than 1.45pm on Friday 24 July 2020, using the pre-paid envelope provided or delivered by post or (during normal business hours) by hand to: Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Online: Alternatively, shareholders can complete the proxy form online at www.sharevote.co.uk by no later than 1.45pm on Friday 24 July 2020.

The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting in person. However, if you vote in person on a resolution, the appointment of your proxy/proxies will not be valid on that resolution.

- For further details relating to the voting and participation rights of shareholders, please refer to the Company's Articles, copies of which are available on the Company's website at www.nationalgrid.com/group/about-us/corporate-governance.
- This year, in light of the COVID-19 pandemic, shareholders will not be able to attend the AGM. We therefore strongly advise all shareholders to appoint the Chairman of the AGM as their proxy. Proxies (other than the Chairman of the AGM) will not be permitted to attend the AGM.**

Nominated persons

- If this Notice of AGM is sent to you as a person nominated to receive copies of Company communications, the proxy rights described above do not apply. The rights described in these paragraphs only apply to shareholders. You may have a right under an agreement with the registered member to be appointed (or have someone else appointed) as a proxy for the AGM, and you are advised to contact them. Alternatively, if you do not have such a right, or do not wish to exercise it, you may have a right under such agreement to give instructions to the registered member holding the shares as to the exercise of voting rights.

Corporate representatives

- A corporate shareholder may appoint one or more corporate representatives on its behalf who may exercise all of its powers as a shareholder provided they do not do so in relation to the same shares.

CREST – appointing a proxy

- CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual available via www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

Authentication of CREST proxy instruction

12. Any message, regardless of whether it relates to the appointment of a proxy or to an amendment to an instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) by 1.45pm on Friday 24 July 2020. After this time, any change to instructions to proxies appointed through CREST should be communicated to the agent by other means. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

American Depositary Shares (ADS)

13. If you held National Grid plc ADS on Wednesday 17 June 2020 you will be entitled to instruct The Bank of New York Mellon (the ADS Depositary) to vote the shares represented by your ADS at the AGM on your behalf as your proxy.

If you hold your ADS directly on the register of ADS holders maintained by the ADS Depositary, simply complete and return the relevant ADS proxy card provided to the ADS Depositary to arrive by the voting deadline, 5pm (EST) on Monday 20 July 2020. Alternatively, you can cast your vote online at www.proxypush.com/ngg or via telephone on 1-866-390-6235 (toll free number). Please have your voting instruction form to hand if you are voting by telephone.

If you hold ADS indirectly through a bank, broker or nominee, you will need to contact them directly to exercise your right to instruct the ADS Depositary to vote the shares represented by your ADS on your behalf as your proxy.

Asking questions at the AGM

14. This year, even with the exceptional circumstances impacting on the format of the AGM as a result of the UK government's guidance in relation to COVID-19, the Board is keen to maintain engagement with shareholders. In order to facilitate this, there will be a live webcast (further details of which are provided on page 18) following the formal business of the AGM. If you are a shareholder and would like to ask the Board a question on the formal business of the meeting, please submit your question by completing the form at <https://investors.nationalgrid.com/shareholder-information/agsm/2020>. You will be able to register questions from Thursday 25 June 2020 until 3.00pm on Monday 27 July 2020 or as such other time as the Chairman of the AGM deems appropriate in light of the number of questions received. You will be asked to supply your Shareholder Reference Number for verification. We will endeavour, where appropriate, to answer such questions from shareholders during the webcast (further details of which are provided on page 18) and in any event will make available answers to all questions on <https://investors.nationalgrid.com/shareholder-information/agsm/2020> as soon as practical after the webcast.

Please note that the Company must answer any questions relating to the business being dealt with at the AGM unless:

- answering such questions would unduly interfere with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on the Company's website in the form of an answer to a question; or
- answering the questions would be undesirable in the interests of the Company or the good order of the meeting.

Shareholders' rights

15. Shareholders meeting the threshold requirements in Section 338 and Section 338A of the 2006 Act have the right to require the Company:

- to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
- to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in such business. A resolution may properly be moved or a matter may properly be included in the business of the meeting unless:
 - (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
 - it is defamatory of any person; or
 - it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business of the meeting, must be authorised by the person or persons making it, must be received by the Company not later than 10 July 2020, and (in the case of a matter to be included in the business of the meeting only) must be accompanied by a statement setting out the grounds for the request.

Documents available for inspection

16. Copies of the Directors' service contracts or letters of appointment and the Company's Articles will be available for inspection at the registered office of the Company at 1–3 Strand, London WC2N 5EH during normal business hours until the time of the AGM. A copy of the Company's Articles are also available on our website at www.nationalgrid.com/about-us/corporate-governance.

Availability of this Notice and Annual Report

17. Copies of this Notice of AGM, the Annual Report and information required by Section 311A of the 2006 Act are available on the Company's website at www.nationalgrid.com. Shareholders should note it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to:

- the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or
- any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Section 527 or Section 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement the Company has been required under Section 527 of the 2006 Act to publish on a website.

Additional information

18. You may not use any electronic address provided in either this Notice of AGM or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Shareholder information

The AGM

The AGM will take place at 1.45pm on Monday 27 July 2020 at National Grid's Office, 35 Homer Road, Solihull B91 3QJ.

Up to date information and any changes to the AGM arrangements contained in this Notice of AGM will be available on the Company's website at <https://investors.nationalgrid.com/shareholder-information/agm/2020>.

Attendance at the AGM

In light of the COVID-19 pandemic and the current UK government restrictions which prohibit, among other things, public gatherings, this year's AGM will be held in a different format to that of previous years, while still allowing shareholders to exercise their voting rights. The health and safety of our shareholders and colleagues is always our main priority and we are committed to supporting the UK government's efforts in relation to this pandemic.

The AGM will take place as a closed meeting. This means the AGM will be held with only the minimum number of persons in attendance as is legally required to form a quorate meeting. Two Directors, each of whom is either a shareholder, or a proxy or corporate representative appointed by a shareholder, will attend the meeting.

Please do not travel to the AGM as anyone who seeks to attend in person will be refused entry.

Watch our webcast

The Board recognises the ongoing importance of communication with shareholders at this time and is pleased to confirm that the Company will be holding a live webcast for shareholders following the conclusion of the formal business of the meeting. The webcast will take place on Monday 27 July 2020, commencing at 2.00pm (UK time). Viewing the live webcast will not constitute formal attendance at the AGM.

For details on how to register for the webcast online please go to <https://investors.nationalgrid.com/shareholder-information/agm/2020>. Shareholders are requested to register as soon as possible and ideally at least 24 hours before the start of the webcast. Please note that the webcast is intended for shareholders only.

Appoint a proxy

This year, given the current UK government restrictions, we are strongly urging all shareholders to register their vote in advance by appointing the Chairman of the AGM as their proxy and giving voting instructions.

In order to vote on the resolutions being proposed at the AGM, you will need to appoint a proxy using one of the following methods (as applicable):

- Complete the proxy form online at www.sharevote.co.uk
- Complete, date and sign the paper Proxy Card enclosed with this Notice and return it using the pre-paid envelope provided or deliver it by hand during normal business hours to:
Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
- If you are a CREST member you can submit a message via CREST, please see notes 11 and 12 on pages 16 and 17 for details.

To be valid, Proxy Cards and CREST Proxy Instructions must be received by 1.45pm on Friday 24 July 2020.

Please note that proxy votes can only be submitted via paper Proxy Cards returned to the address stated, electronically via www.sharevote.co.uk or www.shareview.co.uk or via CREST. Proxy votes cannot be submitted via any other means of communication, unless expressly permitted by National Grid or Equiniti.

Voting

Each of the resolutions to be put to the meeting will be voted on by a poll and not by a show of hands. A poll reflects the number of voting rights exercisable by each shareholder and so the Directors consider it a more democratic method of voting. The results will be published on the Company's website and notified to the UK Listing Authority once the votes have been verified.

For further details relating to the voting and participation rights of shareholders, please refer to the Company's Articles, copies of which are available on the Company's website at www.nationalgrid.com/group/about-us/corporate-governance.

Adjournment/postponement

Under the Articles, if the Board considers that it is impractical or unreasonable for any reason to hold the AGM at the time, date or place specified in the Notice of AGM, it may move and/or postpone the AGM to another time, date and/or place with, if appropriate, similar or equivalent facilities for attendance and participation. Similarly, if a quorum is not present within 10 minutes (or such longer time as the Chairman decides) after the time fixed for the start of the AGM, the meeting will be adjourned to such other day (being not less than 10 days and no more than 28 days, after the date of the AGM) and at such other time and/or place as the Chairman decides.

Updates and communications

The Company will continue to monitor the developments of the COVID-19 pandemic. Should any decision need to be made to postpone or move the AGM, it will be taken by the Company as far in advance as the circumstances may practicably permit.

The Company will take reasonable steps to ensure that members are informed of the new arrangements for the AGM. The Company will communicate any such decisions (and further information) to shareholders on the Company's website at

<https://investors.nationalgrid.com/shareholder-information/agm/2020>. In the case of postponement, as required by the Articles, the notice of the time, date and place of the moved and/or postponed meeting shall (if practical) be placed in at least one national newspaper in the UK and will be published on the Company's website at <https://investors.nationalgrid.com/shareholder-information/agm/2020>. If the AGM has to be adjourned for a lack of quorum, the Company will not give less than 10 clear days' notice of the adjourned AGM.

Beware of share fraud

Investment scams are often sophisticated and difficult to spot. Shareholders are advised to be wary of any unsolicited advice or offers, whether over the telephone, through the post or by email. If you receive any unsolicited communication, please check the company or person contacting you is properly authorised by the Financial Conduct Authority ('FCA') before getting involved.

Be ScamSmart and visit www.fca.org.uk/scamsmart. You can report calls from unauthorised firms to the FCA by calling 0800 111 6768.

Want more information or help?

Equiniti can help with shareholding queries and can provide you with a copy of the Annual Report. Their contact details are on page 24. Alternatively, the Annual Report and this Notice of AGM are available at www.nationalgrid.com in the Investors section.

Glossary

Annual Report the Company's Annual Report and Accounts for the year ended 31 March 2020

ADS American Depositary Shares

AGM the Annual General Meeting

Articles the Articles of Association of the Company

Code the UK Corporate Governance Code published in 2018

CREST the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI/3755)) in respect of which Euroclear UK & Ireland Limited is the operator

Directors the directors of National Grid plc

Equiniti is a trading name of Equiniti Limited and Equiniti Financial Services Limited

FCA the Financial Conduct Authority

London Stock Exchange the London Stock Exchange plc

National Grid or **Company** National Grid plc

Ofgem the UK Office of Gas and Electricity Markets is part of the UK Gas and Electricity Markets Authority (GEMA), which regulates the energy markets in the UK

Ordinary Shares Ordinary Shares of 12^{204/473} pence each in the capital of the Company

RIIO-2 the regulatory framework for energy networks expected to be issued by Ofgem to start on 1 April 2021

Scrip Dividend Scheme or **Scheme** the National Grid plc Scrip Dividend Scheme

Shareholder a holder of Ordinary Shares in the capital of the Company

Share Incentive Plan (the 'SIP') the National Grid plc Share Incentive Plan, an all-employee share plan designed to qualify for tax advantaged status under the terms of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003

Sharesave Plan ('Sharesave') the National Grid Sharesave Plan, an all-employee share plan designed to qualify for tax advantaged status under the terms of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003

Shareview portfolio means the online portfolio service provided by Equiniti where a shareholder can find details regarding their holding. Further information can be found at: www.shareview.co.uk

Sharevote means the online voting service provided by Equiniti Group where a shareholder can make a proxy appointment and give voting instructions for general meetings. Further information can be found at: www.sharevote.co.uk

Statement of Principles the Statement of Principles published by the Pre-Emption Group in March 2015

STEM science, technology, engineering and mathematics

2006 Act the Companies Act 2006

Annex

The National Grid plc Share Incentive Plan (the 'SIP')

General

The SIP is a share incentive plan designed to qualify for the tax advantaged status of share incentive plans which comply with Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003 ('Schedule 2').

Eligibility

Executive directors and all UK employees of the Company and any subsidiaries designated by the Directors as participating companies are eligible to join the SIP, if they have worked for the Company or a participating company for a qualifying period determined by the Directors, which may not exceed 18 months (or the period specified from time to time by HM Revenue & Customs). SIP shares are not pensionable.

Free shares

The SIP provides for the award of shares worth up to a maximum set by the legislation (currently £3,600) to each eligible employee each year. The shares must generally be offered on similar terms, but the award may be subject to performance targets. 'Similar terms' means the terms may only be varied by reference to remuneration, length of service or hours worked.

Free shares must be held in trust for a period of between three and five years at the discretion of the Company and will be free of income tax and national insurance if held in trust for five years. The shares may be forfeited if the participant leaves employment within three years of the award other than through death, retirement, redundancy, injury or disability, or the employing company or business being sold (a 'Good Leaver Reason').

Awards of free shares may only be made within 42 days of an announcement of the Company's results, any day on which changes to the legislation or regulations affecting share incentive plans under Schedule 2 are announced and in other exceptional circumstances.

Partnership shares

The SIP provides for employees to be offered the opportunity to purchase shares out of monthly savings contributions from pre-tax salary of up to the maximum set by the legislation (currently £1,800 in each tax year, or 10% of salary if less). Employees can stop saving at any stage. The Company may set a minimum monthly deduction which may not be greater than £10. Shares will be acquired on behalf of employees within 30 days after the relevant deduction at the market value of the shares on the date(s) they are acquired. The employees' contributions may be used to buy partnership shares immediately (which is how the Company currently operates the SIP) or accumulated for up to 12 months before they are used to buy shares. Where they are accumulated the Company can set the price at which they are acquired as the market value of the shares on the award date, or the market value of the shares at the beginning of the accumulation period, or the lower of these prices.

Partnership shares can be withdrawn from the SIP by the participant at any time, but there will be an income tax and national insurance liability if the shares are withdrawn before five years.

Matching shares

The SIP provides that where employees buy partnership shares, they may be awarded additional free matching shares by the Company, up to a current maximum of two matching shares for each partnership share. Matching shares must be held in trust for a minimum of three years and will be free of income tax and national insurance if held in trust for five years.

If a participant withdraws their corresponding partnership shares before the trustee has held them for three years, they will forfeit the linked matching shares. If the participant ceases to be employed within the minimum three year period (or within such shorter period as the Directors may decide) other than for a Good Leaver Reason the matching shares may be forfeited.

Dividend shares

The SIP provides that Directors may permit any dividends paid on the free, partnership or matching shares to be reinvested in the purchase of additional shares, which must be held in the SIP for a period of three years.

Leaving employment

Shares awarded to a participant whose employment terminates must be withdrawn from the SIP immediately. As described above, free and matching shares may be forfeited where employment ceases before the third anniversary of the award date unless the participant leaves for a Good Leaver Reason. Charges to income tax and national insurance will apply unless the participant leaves for a Good Leaver Reason or the shares have been retained in the SIP for at least five years.

Voting rights

Participants may direct the trustee on how to exercise the voting rights attributable to the shares held on their behalf. The trustee will not exercise the voting rights unless they receive the participants' instructions.

Trust

The SIP operates in connection with a UK resident trust which acquires shares and holds the shares on behalf of the employees. The trust would not, without prior approval of the Company's shareholders, acquire shares which would cause its holding to exceed 5% of the issued ordinary share capital of the Company (excluding treasury shares).

Summary of amendments

Only minor amendments to benefit the administration of the SIP and reflect changes in legislation/regulation have been made since it was last approved by shareholders at the 2011 AGM.

The National Grid Sharesave Plan ('Sharesave')

General

Sharesave is an all-employee savings related share option scheme which has been designed to meet the requirements of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 ('Schedule 3').

Eligibility and invitations

Invitations to participate in Sharesave must be sent to any employee or full time director that satisfies the following conditions. The conditions are that they:

- are employed by the Company or any participating subsidiary of the Company;
- are a UK taxpayer; and
- have been continuously employed by the Company or a participating subsidiary of the Company for a minimum period which can be no longer than five years.

In addition, the Directors may send invitations to any other employee (including executive directors) of the Company or any participating subsidiary or jointly owned company of the Company who does not meet those criteria. Invitations will normally be made within 42 days of an announcement of the Company's results, any day on which changes to the legislation or regulations affecting Schedule 3 plans are announced and in other exceptional circumstances. Sharesave options are not pensionable.

Savings contract

The principle of Sharesave is that an employee is granted an option to acquire Company shares at a fixed option price (see below). To participate in Sharesave, an eligible employee must enter into a savings contract and agree to make monthly contributions of between £5 and £500 (or such other sum as may be allowed by legislation). Shares can only be bought with the amount saved plus any bonus paid under the savings contract (if applicable).

Option price

The option price for each share in respect of which an option is granted must not be less than 80% of the market value of the shares on the business day before the date of invitation or the average market value over the three preceding business days. If the shares are to be subscribed for, the option price must not be less than the nominal value of the shares.

Exercise of options

Options are normally exercisable within six months after the third or fifth anniversary of the start of the savings contract and if not exercised by the end of that period, shall lapse. Options may however be exercised early in certain circumstances, for example where employment terminates for specified reasons or if there is a change of control (see below).

Leaving employment

Options will normally lapse when the participant's employment is terminated prior to the options vesting. However, if employment terminates because of a Good Leaver Reason, options immediately become exercisable to the extent of the related savings. Options will remain exercisable for six months (or 12 months in the case of death) and then, if not exercised, lapse.

Corporate events

In the event of a takeover, reconstruction or winding up of the Company, options may generally be exercised early to the extent of savings made to the point of exercise. Alternatively, option holders may be allowed to exchange their options for options over shares in the acquiring company.

Variation in share capital

If there is a variation of share capital of the Company, the Directors may make such adjustments to Sharesave options, including the number of shares subject to options and/or the exercise price, as they consider appropriate (provided the total exercise price and total market value of shares under option remain substantially the same).

Summary of amendments

Only minor amendments to benefit the administration of Sharesave and reflect changes in legislation/regulation have been made since it was last approved by shareholders at the 2011 AGM.

Common features of the SIP and Sharesave (together, the 'Plans')

Rights attaching to shares

Any shares issued or transferred under the Plans will rank equally with shares of the same class in issue on the date of allotment/transfer except in respect of rights arising by reference to a prior record date.

Plan limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the Plans and all other employees' share plans operated by the Company. These limits do not include options/awards which have lapsed. Treasury shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor bodies determine otherwise.

Options/awards under the Plans may be settled with market purchase, new issue or treasury shares.

Amendments

The Directors may amend the Plans as they consider appropriate. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the terms of the shares comprised in an award, the treatment of awards on the variation in the Company's share capital, the amendment powers, and whenever so required by legislation.

However, the Directors can make certain minor amendments, without shareholder approval, that may be to the advantage of participants such as amendments to benefit the administration of the Plans, to take account of a change in legislation, or to obtain or maintain favourable tax treatment for participants or the Company or other participating companies.

Overseas plans

The Directors may, at any time, establish further plans or schedules to the Plans for overseas territories. Any such plan shall be similar to the Plans, but modified to take account of local tax, exchange control or securities laws. Any shares made available under further plans to the SIP and Sharesave must be treated as counting against the limits on individual and overall participation under the SIP and Sharesave, as relevant.

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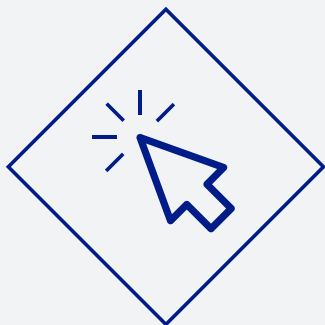
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Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation). This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO₂ and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.

Shareview portfolio

Manage your shareholding wherever and whenever



- Update your details online including your address details and dividend payment instructions
- Elect to receive certain shareholder communications electronically
- Send your general meeting voting instructions in advance of shareholder meetings
- View information about and join the National Grid plc Scrip Dividend Scheme
- Add a range of shareholdings and investments you have (including those with other registrars) to monitor their value all in one place
- Buy and sell shares easily

It only takes a few minutes to register, just have your 11 digit Shareholder Reference Number to hand.

You will be sent an Activation Code to complete registration. Please register at www.shareview.co.uk.

Your dividend options

Have your dividends paid directly into your bank or building society account

- Your dividend reaches your account on the payment day
- It is more secure – cheques sometimes get lost in the post
- No more trips to the bank

Receive your dividends as additional shares

- Join our Scrip Dividend Scheme
- No stamp duty or commission to pay

Local currency dividend payments

- If you live outside the UK, you may be able to request that your dividend payments are converted into your local currency



For more information about your dividend options or for terms and conditions of any of the services offered, please contact Equiniti.

Want more information or help?

Equiniti can help with shareholding queries and can provide you with a copy of the Notice of AGM, Annual Report or a paper Proxy Card.

Alternatively all these documents (except the Proxy Card) are available at www.nationalgrid.com in the Investors section.



Equiniti

0800 169 7775

This is a Freephone number from landlines within the UK, mobile costs may vary. Lines are open 8.30am–5.30pm, Monday to Friday, excluding public holidays. If calling from outside the UK: +44 (0)121 415 0931. Calls outside the UK will be charged at the applicable international rate.



Visit help.shareview.co.uk for information regarding your shareholding (from here you will also be able to email a query securely).



National Grid Share Register,
Equiniti,
Aspect House,
Spencer Road,
Lancing,
West Sussex BN99 6DA