



nationalgrid

Notice of 2021 Annual General Meeting

The 2021 Annual General Meeting of National Grid plc (the 'Company') will be held at 11.30am on Monday 26 July 2021 at Royal Lancaster London, Lancaster Terrace, London W2 2TY.

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.



PRINCIPAL PARTNER
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Letter from the Chair



Dear shareholder,

This is my first letter to you as Chair, which took effect from 31 May 2021. The purpose of this letter is to enclose the Notice of Meeting for the Company's 2021 Annual General Meeting ('AGM'). At the time of writing, it is not clear whether there will be travel, social distancing or other restrictions in place for gatherings due to COVID-19 at the time of the AGM. This has made planning for the customary in-person AGM challenging. Venues that plan to be open, the spacing requirements we would need depending on attendance levels and capacity limitations that each venue might present are all still question marks. Your Board recognises the ongoing importance of engaging with our stakeholders, especially through the unprecedented times in which we find ourselves. This year's AGM will be held on Monday 26 July 2021 at 11.30am at Royal Lancaster London, Lancaster Terrace, London W2 2TY. There will be a time and place for us to meet in person and discuss the future of your Company, and I will very much look forward to greeting you in person. But until then, I would strongly recommend that you instead view our AGM live via the webcast at nationalgrid.com/investors/shareholder-information/aggm on Monday 26 July 2021.

Attendance and the impact of COVID-19 on the 2021 AGM

In accordance with the UK government's roadmap to ease COVID-19 restrictions across England, at the time of writing, it is expected that it will be possible for us to offer an in-person meeting. However, given the importance of the health and safety of all our colleagues and shareholders, please do strongly consider viewing our AGM live via the webcast this year instead. If you find that the live webcast option will not work for you and you do wish to be admitted to the meeting, you will need to register your intention to attend in advance of the meeting at nationalgrid.com/investors/shareholder-information/aggm. In order to be able to facilitate the attendance of shareholders, please note that additional guests (other than carers attending with shareholders) will not be permitted to attend. Further, the AGM will be for the formal business of the meeting only; there will be no business exhibitions, and no catering will be available. For information on the latest safety measures in place should you wish to attend, please visit nationalgrid.com/investors/shareholder-information/aggm.

There is also the possibility that we will be required to adapt these arrangements to respond to the UK government guidelines on short notice. Should the situation change such that we consider that it is no longer possible for any shareholders to attend the meeting in person, or in the event that the venue is no longer appropriate, we will notify shareholders via the issuance of a Regulatory News Service announcement to the London Stock Exchange and on our website. Please monitor our website for any updates to the arrangements of the AGM at nationalgrid.com/investors/shareholder-information/aggm.

Again, I apologise for these awkward logistics. We look forward to restoring the customs associated with an in-person National Grid AGM when we are clearly out of any pandemic risk or other limitations on large meetings. We also hope to hold institutional shareholder engagement sessions around the UK and in the respective states in the US to update you on the Company's journey to net zero.

Appointing a Proxy

To ensure the AGM can be held in the most COVID-19-secure way possible and given the meeting will be shown via the live webcast, shareholders are urged to register their votes in advance by appointing the Chair of the AGM as their proxy rather than by a third party. To appoint a proxy you will need to complete your proxy form. Information about how to submit your proxy instructions is set out on page 16. Notice of your appointment of a proxy should reach the Company's Registrar, Equiniti, by 11.30am on Thursday 22 July 2021. Further details can also be found in the 'Shareholder information' section on pages 18 and 19.

If the Chair of the AGM is appointed as proxy, I will vote in accordance with any instructions you have given to me. If the Chair of the AGM is given discretion as to how to vote, I will vote in favour of each of the resolutions to be proposed at the AGM.

Shareholder engagement and Q&A

Shareholders will be able to watch a live stream of the meeting which will commence at 11.30am consisting of a presentation during which they will hear from me, as Chair, and John Pettigrew, our Chief Executive. You will be able to watch the live webcast here nationalgrid.com/investors/shareholder-information/aggm. Please note that the webcast is intended for shareholders only and does not constitute formal attendance at the AGM.

We will appreciate you taking time to pre-register your questions relating to the business of the AGM in advance of the meeting by completing the form at nationalgrid.com/investors/shareholder-information/aggm. You will be able to register questions from 8 June 2021 until 11.30am on Thursday 22 July 2021 and will be asked to supply your Shareholder Reference Number for verification. Further information can also be found in the 'Shareholder information' section on pages 18 and 19. We will endeavour to answer as many questions as possible during the meeting, and will make the answers, which may be grouped in themes, available on our website.

Business of the meeting

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

Employee share plans

Share plans at National Grid are well established and we are proud of how they have encouraged employee share ownership and supported the creation of shareholder value. Resolutions 18 and 19 relate to the reapproval of two employee share plans: the Long Term Performance Plan (the 'LTTP') and the US Employee Stock Purchase Plan (the 'ESPP'), collectively the 'Plans'. The rules of the Plans which were approved by shareholders in 2011 are due to expire in July 2021, and therefore to ensure the effective running of the Plans we are seeking shareholder reapproval. The rules of the Plans are substantially the same and a continuation of the existing Plans. Following shareholder approval this will extend the life of the Plans for a further 10 years to 2031.

New Articles of Association

Resolution 25 seeks shareholder approval to amend the Company's Articles of Association ('Existing Articles'). This is in order to amend the Existing Articles, which were last approved at the 2009 AGM and subsequently amended at the 2012 AGM. The Company proposes to update its Existing Articles to take account of changes as described in resolution 25, including providing the ability to hold our AGM or general meetings in a hybrid format (meaning a physical AGM and general meeting held online at the same time, which provides shareholders with the ability to choose to attend and vote either in person or remotely). The proposed amendments to the Existing Articles are available for inspection, as described in note 16. A draft of the proposed New Articles is available on the Company's website at nationalgrid.com/about-us/corporate-governance.

Dividend

After careful consideration, the Board announced on 2 March 2021 that going forward from 2021/22, our dividend policy will aim to grow the annual ordinary dividend per share at least in line with the rate of UK Consumer Price Index including owner occupiers' housing costs ('CPIH'). The amendment to our dividend policy reflects the move from RPI to CPIH in our UK-regulated businesses and will maintain the dividend per share in real terms. 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 finances 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 32.16 pence per Ordinary Share (US\$2.2812 per American Depositary Share ('ADS')). If approved, this will be paid on 18 August 2021. Resolution 2 seeks shareholder approval of the final dividend.

Climate change commitments and targets

The Company has been working towards an ambitious plan to reach net zero by 2050, and we are proud of the commitment the Company has made in its Responsible Business Charter and the challenging interim targets that have been set. As a Principal Partner to the UK government for COP26, and as a responsible company, we recognise the importance of being transparent with our shareholders on our role in tackling climate change. As a result, on 15 March 2021, the Company announced its intention to seek a non-binding advisory shareholder approval for our climate transition action plan at the 2022 AGM and for progress against the plan to be reported annually thereafter. The climate transition action plan will set out the Company's commitment to becoming a net zero business in its Scope 1 and 2 greenhouse gas emissions by 2050 or sooner, its Scope 3 reduction target and to transition the Company to align with the goals of the Paris Agreement. On 8 June 2021 we also published our Responsible Business Report and you can read more on our commitments and targets at nationalgrid.com/responsibility.

Directors

On 30 January 2020, following nearly nine years at the Company, Sir Peter Gershon announced his intention to step down as Chairman in 2021. After a thorough succession planning process by the Nominations Committee, led by Mark Williamson, Senior Independent Director, I was welcomed to the Board as Chair Designate on 1 January 2021 and as Chair of the Nominations Committee with effect from the same date. I look forward to leading the Board through the next exciting phase in the Company's evolution as we continue the transition to a clean, fair and affordable energy future.

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.

As a Board, and following conversations with investors last year, it has been proposed that it is in the best interests of the Company for Jonathan Dawson to stay for a limited period beyond the expiry of his nine-year tenure in March 2022. This is to ensure a smooth transition in developing our Directors' remuneration policy for shareholder approval in 2022. To ensure a suitable new Senior Independent Director is appointed and an effective handover has taken place, Mark Williamson may be required to stay for a limited period beyond the expiry of his nine-year tenure in September 2021. I value the wisdom of these Non-executive Directors and their flexibility in remaining available for Board service. The Board is actively recruiting for their replacements, and I look forward to making announcements shortly as individuals are fully vetted and their diaries are cleared to devote time to National Grid.

I am pleased to announce that Liz Hewitt succeeded Mark Williamson as Chair of the Audit Committee on 10 November 2020. Liz is an experienced member and chair of audit committees and brings extensive financial knowledge to her role. Earl Shipp also succeeded Paul Golby as Chair of the Safety, Environment and Health Committee with effect from 1 April 2021. Earl's in-depth experience working in safety critical process environments will be essential in his new role.

The biographies, skills and competencies of all Directors seeking election or re-election are set out in the explanations to resolutions 3 to 12 on pages 7 to 11. 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 stakeholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all resolutions, as they intend to do so in respect of their own holdings.

I would like to thank you, on behalf of the Board, for your continued support of National Grid. I very much look forward to the times ahead when we will meet in person and exchange views about the future of energy and the Company.

Yours sincerely,



Paula Rosput Reynolds
Chair

National Grid website



COVID-19 updates and communications

Please monitor our website at nationalgrid.com/investors/shareholder-information/aggm for updates to the 2021 AGM arrangements. Our corporate website, 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.

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Resolutions

The Annual General Meeting ('AGM') will consider the following resolutions, which in the case of resolutions 21 to 25 (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 2021, the Directors' Reports and the Auditor's Report on the accounts (the 'Annual Report').

Final dividend

2. To declare a final dividend of 32.16 pence per Ordinary Share (US\$2.2812 per American Depositary Share ('ADS')) for the year ended 31 March 2021.

Election and re-election of Directors

3. To elect Paula Rosput Reynolds 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 Mark Williamson as a Director.
7. To re-elect Jonathan Dawson as a Director.
8. To re-elect Therese Esperdy as a Director.
9. To re-elect Liz Hewitt as a Director.
10. To re-elect Amanda Mesler as a Director.
11. To re-elect Earl Shipp as a Director.
12. To re-elect Jonathan Silver as a Director.

Auditor re-appointment and remuneration

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

Directors' Remuneration Report

15. 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 92 - 113 in the Annual Report.

Political donations

16. 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 or 30 September 2022.

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

17. 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 147,324,478.

This authority shall expire at the earlier of the close of the next AGM or 30 September 2022 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 Long Term Performance Plan

18. To reapprove the rules of the National Grid plc Long Term Performance Plan (the 'LTPP') the principal features of which are summarised in the Annex of this Notice, and that the Directors be and are hereby authorised to:

- (i) make such modifications to the LTPP as they may consider necessary or desirable to maintain or obtain any approval of a relevant tax authority or to take account of the requirements of the Financial Conduct Authority (or its successor(s)) or the London Stock Exchange or otherwise;
- (ii) do all acts and things which they may consider necessary or expedient to continue to operate the LTPP; and
- (iii) establish schedules to, or further plans based on the LTPP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such schedules or further plans are treated as counting against the limits on individual and overall participation in the LTPP.

Reapproval of the US Employee Stock Purchase Plan

19. To reapprove the rules of the National Grid plc US Employee Stock Purchase Plan (the 'ESPP'), the principal features of which are summarised in the Annex of this Notice, and that the Directors be and are hereby authorised to:

- (i) make such modifications to the ESPP as they may consider necessary or desirable to maintain or obtain any approval of a relevant tax authority or to take account of the requirements of the Financial Conduct Authority (or its successor(s)) or the London Stock Exchange or otherwise;
- (ii) do all acts and things which they may consider necessary or expedient to continue to operate the ESPP; and
- (iii) subject to such modification as the Directors may consider appropriate to make any technical changes they consider necessary or desirable to the rules of the ESPP to take account of the requirements of section 423 of the US Internal Revenue Code and to address any applicable US securities laws requirements.

Climate change commitments and targets

20. That, in order to promote the long-term success of the Company, given the risks and opportunities associated with climate change, resolution 20 is proposed as a non-binding vote for shareholders to approve the Company's climate change-related 'net zero' commitment¹ and associated targets².

1. Reduce Scope 1 and 2 greenhouse gas ('GHG') emissions by 80% by 2030, 90% by 2040, and to net zero by 2050 from a 1990 baseline.
2. Reduce Scope 3 GHG emissions for the electricity and gas the Company sells to its customers (making up 80% of the Company's Scope 3 emissions) by 20% by 2030 from a 2016 baseline.

Disapplication of pre-emption rights

- 21.** Subject to the passing of resolution 17, 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 22,098,671.

This authority shall expire at the earlier of the close of the next AGM or 30 September 2022 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.

- 22.** Subject to the passing of resolution 17, and in addition to any authority granted under resolution 21, 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 22,098,671; 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 or 30 September 2022 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

- 23.** 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 355,533,053 being 10% of the Company's issued share capital (excluding treasury shares) as at 19 May 2021;
 - (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 23 will be carried out.

This authority shall expire at the earlier of the close of the next AGM or 30 September 2022 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

- 24.** 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.

New Articles of Association

- 25.** To adopt the New Articles of Association (as produced to the meeting and initialled by the Chair for the purposes of identification) as the articles of the Company in substitution for, and to the exclusion of, the Company's Existing Articles of Association, with effect from the conclusion of this AGM.

On behalf of the Board

Justine Campbell
Group General Counsel and Company Secretary

19 May 2021
National Grid plc

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

Explanation of resolutions

Resolutions 21 to 25 (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 nationalgrid.com. Paper copies can be obtained from Equiniti; see the back page of this Notice 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 32.16 pence per Ordinary Share (US\$2.2812 per ADS) will be paid on 18 August 2021 to shareholders on the register of members at the close of business on 4 June 2021 (the 'Record Date'). 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 sterling and US\$ to ensure that holders of both Ordinary Shares and ADSs are paid the declared dividend on the same day.

Resolutions 3–12

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 Paula Rosput Reynolds as Chair Designate and Non-executive Director on 1 January 2021 and as Chair from 31 May 2021, Paula will seek election as Chair and Non-executive Director 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 Chair, 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 Paula Rosput Reynolds 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

	Audit Committee
	Finance Committee
	Nominations Committee
	Remuneration Committee
	Safety, Environment and Health Committee
	Executive Committee
	Chair of the Committee

Biographies as at 19 May 2021

Resolution 3



To elect Paula Rosput Reynolds,
Chair

Appointed: 1 January 2021 as
Chair Designate and Chair with
effect from 31 May 2021

Committee membership:



Tenure: Less than 1 year

Skills and competencies: Paula's strong business acumen can be demonstrated by her impressive track record of leading complex international businesses. In her board and leadership roles, Paula has demonstrated her decisive and pioneering nature which will be crucial in moving National Grid's vision forward, as it embarks on its journey to clean energy and net zero by 2050. Her knowledge of the energy market and experience supporting organisations through transitional periods will be an asset to the Board as National Grid continues to grow and embrace opportunities. Upon joining the Board, Paula stepped into the role of Chair of the Nominations Committee, which will be pivotal in ensuring that the succession and composition of the Board matches the culture, strategy and leadership needs of the Company. These skills combined with her insight into strategic and regulatory issues will enable her to lead and govern an effective Board.

External appointments:

- Senior Independent Director and Chair of the Remuneration Committee at BP plc;
- Non-executive Director of General Electric;
- President and CEO of PreferWest LLC; and
- Chair of Seattle Cancer Care Alliance.

Contributions and reasons for election

Paula brings a wealth of board-level experience to National Grid having led global companies in the energy and financial sectors. She has over 20 years' experience as a Non-executive Director in both the UK and US across multiple sectors and businesses and will bring a new perspective on strategic and regulatory issues to the Board. Paula's key experience at board level in both UK and US based energy companies gives her insight into the highly regulated environment that National Grid operates in and provides her with the requisite knowledge to lead Board discussions relating to regulation. Further to this, Paula has an in-depth understanding of the strategic direction of the Group as it embarks on its clean energy journey and net zero by 2050 ambition. During her career, Paula has played a vital role with several company-wide transformations and mergers. She is recognised for having transformed AGL Resources from a local utility into a multi-state energy and telecommunications company and for materially enhancing the operating and financial performance of Safeco Corp, a US insurance company that was ultimately acquired by Liberty Mutual. Paula's invaluable experience and knowledge with company transformations and mergers will be crucial in facilitating National Grid's strategic transformation, to focus the Company's assets on electricity transmission and distribution.

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: 7 years

Skills and competencies: John joined the Group as a graduate in 1991 and has progressed through many senior management roles. 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 of the Group's strategy. This year a new group operating model was introduced under John's leadership, in order to improve customer and stakeholder relationships; evolve our ways of working and culture, and to ensure a step change in efficiency and effectiveness. Recently, he led on a strategic pivot, including the WPD Acquisition and to commence the process to sell a majority stake in our UK Gas Transmission business.

External appointments:

- Member of the UK government's Inclusive Economy Partnership;
- Member of the Electric Power Research Institute Board;
- 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 to 'bring energy to life' embraces technological and innovative changes to ensure that the Group evolves for the future. This year, John has led on three significant transactions that have progressed the Company's vision to put National Grid at the heart of a clean, fair and affordable energy future. The significant transactions include: the agreed acquisition of Western Power Distribution (WPD) in the UK; the agreed sale of the Rhode Island business in the US and the Company's intention to initiate the sale of our majority stake in our UK Gas Transmission business. These transactions will create strategic benefits to the company including improving our long-term growth prospects which will deliver attractive returns for our shareholders. The transactions will also make National Grid the UK's largest transmission and distribution owner.

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. John's influence as a leader in clean energy led to the Company becoming a Principal Partner of COP26, the UN Climate Change Summit 2021. He also championed the Company's commitments in the Responsible Business Report and the inclusion of the climate change advisory vote included within this Notice.

Explanation of resolutions continued

Resolution 5



To re-elect Andy Agg,
Chief Financial Officer (CFO)

Appointed: 1 January 2019

Committee membership:



Tenure: 2 years

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 appointment:

- Member of the 100 Group Main Committee and Chair of the Tax Committee.

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. Andy has continued to demonstrate 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. He has played a key role in overseeing the review of the Business Plan, financial strategy and dividend policy this year. Andy's financial knowledge provided the necessary insight to the Board in the lead-up to the Company's announcement of the agreed acquisition of WPD and the decision to commence the process to sell our majority stake in our UK Gas Transmission business. Andy has ensured that an open dialogue between the Company and our shareholders has continued since the announcement and is able to provide vital feedback to the Board.

Resolution 6



To re-elect Mark Williamson,
Non-executive Director
and Senior Independent Director

Appointed: 3 September 2012

Committee membership:



Tenure: 8 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. Mark stepped down as Chair and member of the Audit Committee in November 2020, offering guidance and support to Liz, as she succeeded in his role as Chair of the Audit Committee. 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 Board as well as acting as a sounding board for the Chair and as an intermediary for other Directors when necessary.

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 brings the views and concerns of investors and shareholders to Board discussions. This year, Mark, in his role as Senior Independent Director, successfully led the process for appointing Paula Rosput Reynolds as Chair.

Resolution 7



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

Appointed: 4 March 2013

Committee membership:



Tenure: 8 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 Chairman of the Audit & Risk Committee and Senior Independent Director 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 Limited.

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 continued to engage extensively with our major investors and brings their viewpoint to Board discussions, helping to support the drive to create shareholder value. As a Board, and following conversations with investors last year, it has been proposed that it is in the best interests of the Company for Jonathan to stay for a limited period beyond the expiry of his nine-year tenure in March 2022 to ensure a smooth transition in developing the next Directors' remuneration policy for shareholder approval in 2022.

Resolution 8



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: 7 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:

- Chair 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 another 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 of the Finance Committee, she has been able to focus the Committee's attention on key topics including the review of the financing and credit rating strategy to support the Company's strategy going forward.

Explanation of resolutions continued

Resolution 9



To re-elect Liz Hewitt,
Non-executive Director;
Independent

Appointed: 1 January 2020

Committee membership:



Tenure: 1 year

Skills and competencies: Liz qualified as a chartered accountant with Arthur Andersen & Co. In her executive career she worked in private equity for 3i Group plc, Gartmore Investment Management Limited and Citicorp Venture Capital Ltd, gaining insights into a wide variety of industries. Her work at Smith & Nephew gave her global insight. She was seconded for a year to HM Government. In November 2020 Liz was appointed as Chair of the Audit Committee. She has extensive experience as an audit committee Chair and as a member of nominations and remuneration committees. She is considered to be a financial expert in the context of audit committee work. Her broad industrial and global experience and her financial knowledge bring a wide perspective to Board discussions and decision-making.

External appointment:

- Senior Independent Director and Chair of the Audit Committee at Melrose Industries plc.

Contributions and reasons for re-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, including chairing audit committees at international businesses, making her well placed to chair 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. This has been particularly helpful throughout the COVID-19 pandemic.

Resolution 10



To re-elect Amanda Mesler,
Non-executive Director;
Independent

Appointed: 17 May 2018

Committee membership:



Tenure: 3 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 appointment:

- Chief Executive Officer of CashFlows Europe 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.

Resolution 11



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

Appointed: 1 January 2019

Committee membership:



Tenure: 2 years

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 particularly in relation to safety management. This, along with his innovative way of thinking, enables Earl to contribute on a wide range of issues to Board and Committee debates and will enable him to effectively chair the Safety, Environment and Health Committee.

External appointments:

- Non-executive Director of Olin Corporation; and
- Non-executive Director of CHI St. Luke's Health System of 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 member of the Energy Advisory Committee for the Federal Reserve Bank of Atlanta for several years. 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 of 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. Earl's skills and strong experience in energy and safety have enabled him to effectively take on the role of Chair of the Safety, Environment and Health Committee.

Resolution 12



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

Appointed: 16 May 2019

Committee membership:



Tenure: 2 years

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:

- Independent Director of EG Acquisition Corp.;
- Senior Advisor to Guggenheim Partners;
- Non-executive Director of Peridot Acquisition Corp.;
- 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 and the downstate New York Implementation Plan. 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.

Explanation of resolutions

continued

Resolutions 13 and 14

Auditor re-appointment and remuneration

The Audit Committee oversees the relationship with the external auditor. During the year, the Audit Committee considered the auditor's 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 auditor to the Board for shareholder approval.

The Audit Committee considered the effectiveness and performance of the auditor and the audit process and concluded that it was satisfied with the auditor 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 83 – 87 of the Annual Report.

Resolution 13

To re-appoint the auditor Deloitte LLP

It is a requirement that the Company's auditor 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 auditor for the year ending 31 March 2022.

Resolution 14

To authorise the Audit Committee of the Board to set the auditor's remuneration

This resolution proposes the Audit Committee be authorised to set the auditor's 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 15

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 92 - 113 of the Annual Report.

Resolution 16

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 12-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 of 30 September 2022 up to a maximum aggregate amount of £125,000.

Resolution 17

To authorise the Directors to allot Ordinary Shares

The purpose of this resolution 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 £147,324,478 (representing approximately 1,185,110,177 Ordinary Shares), which is equivalent to approximately 33% of the issued share capital of the Company, exclusive of treasury shares, as at 19 May 2021.

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 2022.

As at 19 May 2021, the number of Ordinary Shares in issue was 3,814,951,606 and the Company held 259,621,074 of these Ordinary Shares as treasury shares, representing 7.30% of the issued share capital excluding treasury shares.

Resolution 18

Reapproval of the National Grid plc Long Term Performance Plan (the 'LTPP')

The LTPP was approved by shareholders, and first operated, in 2011. Shareholder authority to operate the LTPP will expire in July 2021. Shareholders are therefore being asked to reapprove the LTPP so that it can continue to be operated. The rules of the LTPP are substantially in the same form as when shareholders approved them in 2011 and the principal features are summarised in the Annex of this Notice. The LTPP is a discretionary share plan under which participants may be granted awards of National Grid plc Ordinary Shares or American Depositary Shares ('ADS's'), normally subject to continued employment and the satisfaction of agreed performance indicators over a set performance period.

The proposed rules of the LTPP 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 19

Reapproval of the National Grid US Employee Stock Purchase Plan (the 'ESPP')

The ESPP was originally approved by shareholders in 2001, was first operated in December 2008 and was reapproved by shareholders in 2011. Shareholder authority to operate the ESPP will expire in July 2021. Shareholders are therefore being asked to reapprove the ESPP so that it can continue to be operated. The rules of the ESPP are substantially in the same form as when shareholders approved them in 2011 and the principal features are summarised in the Annex of this Notice.

The ESPP is an all-employee plan and is designed to qualify under Section 423 of the US Internal Revenue Code of 1986. It allows employees to purchase Ordinary Shares or ADSs in the Company on a monthly basis at up to a 15% discount to the market value. Currently the ESPP is operated over ADSs only and the discount is set at 15%.

The proposed rules of the ESPP 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 20

Climate change commitments and targets

To promote the long-term success of the Company, given the risks and opportunities associated with climate change, the Company and the Directors will be authorised and directed by shareholders to:

- (i) report annually, from 2022, within the Company's annual reporting, on the terms and implementation of the net zero strategy, 2030 action plan and progress against Scope 1, 2 and 3 emission reduction targets (in a manner consistent with the Task Force on Climate related Financial Disclosures (the 'TCFD')), including a summary of the relevant frameworks, methodologies, timescales for goals and targets, and core assumptions used, omitting commercially confidential or competitively sensitive information, and at reasonable cost, and excluding any information which is immaterial in the view of the Directors; and
- (ii) propose a resolution at each annual general meeting of the Company for shareholders to receive, consider and approve the reporting.

Shareholders recognise, welcome and approve:

- (i) the Company's commitment to becoming a net zero business in its Scope 1 and 2 greenhouse gas emissions by 2050 or sooner, and its Scope 3 reduction target; and
- (ii) the Company's strategy to transition its business to align with the collective goals of the Paris Agreement, including its action plan to 2030 and to provide full disclosure of the Company's greenhouse gas emissions in a manner consistent with the TCFD.

Nothing in this resolution shall limit the Company's or a Director's powers to take any action which it believes in good faith would best promote the long-term success of the Company.

Resolutions 21 to 25 are special resolutions and will be passed if at least 75% of the votes cast (not counting votes withheld) are in favour.

Resolutions 21 and 22

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:

- (i) '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;

- (ii) references to an allotment of equity securities shall include a sale of treasury shares; and
- (iii) 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 2022. A renewal of these authorities is intended to be proposed at each subsequent AGM.

The Directors consider the authorities in resolutions 21 and 22 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 21

Limited disapplication of pre-emption rights

Part (i) of resolution 21 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 21 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 21 is to authorise the Directors to allot new Ordinary Shares and other equity securities pursuant to the allotment authority given by resolution 17, or sell treasury shares, for cash up to a nominal value of 22,098,671, equivalent to 5% of the total issued ordinary share capital of the Company excluding treasury shares and 4.66% of the total issued ordinary share capital of the Company including treasury shares, as at 19 May 2021, 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 21 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.

Explanation of resolutions

continued

Resolution 22

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 22 is to authorise the Directors to allot new Ordinary Shares and other equity securities pursuant to the allotment authority given by resolution 17, or sell treasury shares, for cash up to a further nominal amount of 22,098,671, equivalent to 5% of the total issued ordinary share capital of the Company excluding treasury shares and 4.66% of the total issued ordinary share capital of the Company including treasury shares, as at 19 May 2021, 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 22 is used, the Company will publish details of the placing in its next Annual Report.

Resolution 23

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 17, 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 2021, 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 19 May 2021, options were outstanding over 23,948,629 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 24

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.

Resolution 25

New Articles of Association

Under resolution 25, the Company proposes to adopt new Articles of Association (the 'New Articles') in substitution of its existing Articles (the 'Existing Articles'). The purpose of the proposed amendments are to reflect the latest changes to company law and market practice. The principal changes are summarised below, and certain changes, which are of a minor, technical or clarifying nature, have not been noted:

(i) **Fractional entitlements (Article 4.1)**

It is proposed that the New Articles allow proceeds of a nominal amount of less than £5 from the sale of fractions of shares where there has been a consolidation or division of shares to be distributed to a charity (as opposed to the relevant shareholder) at the Directors' discretion.

(ii) **Uncertificated shares (Article 20)**

Under the Existing Articles, the Directors have the discretion to decide if a class of shares can be held in uncertificated form and provisions of the Existing Articles do not apply in the event the Existing Articles are inconsistent with a holding of paperless shares. The New Articles contain provisions to provide the Directors with the flexibility to sell, transfer, disposal, forfeiture, re-allotment or surrender or take such other actions as they consider appropriate in relation to uncertificated shares where such power is contemplated under the New Articles.

(iii) **Untraced shareholders (Article 26)**

The New Articles contain amended provisions in relation to untraced shareholders to bring those provisions more in line with current market practice. The amendments remove the requirement for the Company to advertise in a UK newspaper before it can take steps to sell shares held by any untraced shareholders. However, under the New Articles, the Company will still be required to comply with a number of formalities (such as sending notice to the last known physical or email address of the shareholder and using reasonable steps to trace the shareholder) before such shares can be sold.

(iv) **Combined physical and electronic general meetings (Articles 2, 27, 28, 32, 33 and 34)**

The New Articles give the Company greater flexibility to hold general meetings by allowing combined physical and electronic general meetings (also known as 'hybrid' meetings). These hybrid meetings would enable members to attend and participate in the business of the meeting by attending a physical location or by means of an electronic facility or facilities if the Directors decide to hold a combined physical and electronic general meeting. These provisions provide flexibility for the Directors to decide the format and arrangements for holding a general meeting to ensure it is appropriate in the circumstances, including, as has been the case during the COVID-19 pandemic, where there may be travel or other restrictions on gatherings in place.

The New Articles set out the procedures and processes for attendance at, and participation in, combined physical and electronic general meetings. This includes how attendance is determined at such meetings and allowing Directors to make arrangements to enable attendees to exercise their rights to speak or vote. It also specifies that, in determining whether persons are attending or participating in a general meeting, it is immaterial whether they are attending it in the same location as each other or how they are able to communicate with each other, provided that they have rights to speak or vote at that meeting. The New Articles provide that persons participating via an electronic platform shall be responsible for ensuring they have the facilities to access the meeting. Unless a meeting is adjourned by the chair, the inability of a person to attend or participate via an electronic platform will not affect the validity of, or business conducted at, a general meeting.

The New Articles amend the provisions relating to the method of voting and demand for a poll. The New Articles provide that voting on resolutions at a general meeting that is held at least in part using an electronic platform shall be decided on a poll. This amendment has been made to protect the voting rights of any shareholder who is attending a general meeting through an electronic platform.

The New Articles are not intended to permit the Company to hold general meetings wholly by electronic means. The New Articles include consequential changes to enable such combined physical and electronic general meetings. These amendments are being made to provide the Directors with the flexibility should they need to make alternative arrangements for participation in meetings (including where physical participation may be prevented or restricted).

(v) **Postponement of general meetings (Article 30)**

The New Articles contain additional provisions in relation to the Directors' power to postpone a properly convened general meeting under the Existing Articles. These provisions provide greater flexibility for the Directors to inform the shareholders of the new arrangements in circumstances where this may be necessary and to avoid unnecessary inconvenience.

(vi) **Retiring directors (Article 64.1)**

The UK Corporate Governance Code 2018 recommends that Directors are re-elected at the AGM each year. Therefore, it is proposed that the Directors may resolve for retirement of Directors at an earlier AGM prior to the end of the three calendar year period.

(vii) **Eligibility for election as Director (Article 69.4)**

It is proposed that, in line with market practice, a person may only be elected as a Director if such person is recommended by the Board, or if a written confirmation of such person's willing to act as Director has been received by the Company no later than seven days prior to the general meeting to propose such election.

(viii) **Borrowing powers (Article 95.1)**

As approved by the shareholders at the Company's general meeting held on 22 April 2021, the New Articles reflect the approved increase in the borrowing limit by the Company and/or any of its subsidiary undertakings to £55,000,000,000.

(ix) **Methods of paying dividends (Articles 105.2 and 106.3)**

The New Articles amend the Existing Articles to provide further flexibility to the manner in which dividends can be paid by the Company. The amendment gives the Company flexibility to pay dividends by cheque or warrant, through CREST or other relevant systems, or by bank transfer or any electronic means or such other means as the Directors may decide and as notified to the shareholders. The amendments to this provision are in line with market practice and reflect that increasingly cheques and warrants are no longer the Company's primary methods of paying dividends.

(x) **Unclaimed dividends (Articles 105.9 and 107)**

The New Articles contain amended provisions in relation to unclaimed dividends to bring those provisions more in line with current market practice. The proposed amendments clarify that a dividend is to be treated as unclaimed if the payee does not specify an address, bank account or other details necessary in order to make a payment of a dividend, or if payment cannot be made by the Company using the details provided or if cheques, payments or warrants or dividends are sent back or not cashed through for two dividends in a row. Shareholders can claim their unclaimed dividends at any time up to the expiry of the 12-year period. Any dividend which has remained unclaimed after the 12-year period is forfeited and belongs to the Company. In parallel with the amendment to provisions regarding untraced members, the New Articles also provide that if the Company sells shares of an untraced member, any dividend relating to these shares that has not been cashed or claimed shall revert to the Company when such shares are sold. The proposed amendments in the New Articles entitle the Company to use such unclaimed dividends for the Company's benefit or in any manner that the Directors may from time to time think fit.

(xi) **Capitalising reserves (Article 109)**

The New Articles provide the Company with flexibility to decide whether treasury shares should be calculated in the participation of the issue of bonus shares following a capitalisation of the Company's capital and is in line with market practice.

(xii) **Scrip dividends (Article 110.2)**

The New Articles propose that the authority sought at an AGM for the Directors to issue scrip dividends instead of some or all of their cash dividends be renewed every three years instead of every five years. This amendment is in line with market practice and the Investment Association's July 2016 Share Capital Management Guidelines.

(xiii) **Director's indemnities (Article 128.1)**

The New Articles contain an amendment to permit the Company to indemnify its previous Directors or officers, in addition to its current Directors or officers. This change would bring those provisions more in line with current market practice.

(xiv) **General**

Other changes are of a minor, technical or clarifying nature to reflect changes made by the 2006 Act, and to take the opportunity to clarify the wording in the Existing Articles. A small number of redundant provisions have also been removed from the New Articles.

We are pleased that the Company has retained the Plain English Campaign's crystal mark for the New Articles.

A copy of the New Articles and a version of the New Articles showing all the changes as compared will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at Linklaters LLP offices at 1 Silk Street, London EC2Y 8HQ during normal business hours from the date of this Notice until the close of the AGM, and on the Company's website at nationalgrid.com/about-us/corporate-governance.

Notes

Eligibility to vote

1. 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 Thursday 22 July 2021 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 Thursday 22 July 2021 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.
2. Registered holders of Ordinary Shares are entitled to attend, speak and vote, either in person or by proxy, at general meetings of the Company. Given the uncertainty around whether shareholders will be able to attend the AGM and the health and safety restrictions for a COVID-19 secure meeting, we strongly encourage shareholders not to attend in person, but instead register their votes in advance by appointing the Chair of the AGM as their proxy and giving them voting instructions. Please refer to the Chair's letter in this Notice of AGM for further information.
3. 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 Financial Conduct Authority once the votes have been verified.

Issued share capital and total voting rights

4. As at 19 May 2021 (being the latest practicable date before publication of this Notice of AGM), there were 3,814,951,606 Ordinary Shares in issue, carrying one vote each, and 259,621,074 shares held in treasury. Shares held in treasury do not have voting rights. Therefore, the total number of voting rights exercisable as at 19 May 2021 is 3,555,330,532.

Appointing a proxy

5. To enable a COVID-19 secure AGM as much as possible, we strongly encourage shareholders to appoint the Chair as 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 Chair 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 sharevote.co.uk.

Voting by proxy

6. By post: To be valid, Proxy Cards must be received by no later than 11.30am on Thursday 22 July 2021, 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 sharevote.co.uk by no later than 11.30am on Thursday 22 July 2021.

Subject to any COVID-19 restrictions that may be in place, 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.

7. 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 nationalgrid.com/about-us/corporate-governance.
8. **Given the uncertainty around whether shareholders will be able to attend the AGM and the health and safety measures required for a COVID-19 secure meeting, we strongly encourage shareholders not to attend the AGM but instead register their votes in advance by appointing the Chair of the AGM as their proxy and giving their voting instructions. This will ensure that your vote is counted even if attendance at the meeting is restricted and you or any other proxy you might appoint are unable to attend in person should the UK government guidelines change.**

Nominated persons

9. If this Notice of AGM is sent to you as a person nominated to receive copies of Company's 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

10. 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

11. 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 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 11.30am on Thursday 22 July 2021. 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 Depository Shares ('ADS')

- 13.** If you held National Grid plc ADS on Wednesday 16 June 2021 you will be entitled to instruct The Bank of New York Mellon (the ADS Depository) 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 Depository, simply complete and return the relevant ADS Proxy Card provided to the ADS Depository to arrive by the voting deadline, 5.00pm (EDT) on Friday 16 July 2021. Alternatively, you can cast your vote online at 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 Depository to vote the shares represented by your ADS on your behalf as your proxy.

Asking questions at the AGM

- 14.** Despite the unprecedented circumstances in relation to COVID-19, the Board recognises the importance of engaging with shareholders and shareholders' views are always very important to us. In order to facilitate this, there will be a live stream of the meeting with presentations from the Board, after which we will respond to any questions submitted by shareholders. For further details on the live webcast, please see page 18.

All shareholders should pre-register questions relating to the business of the AGM in advance of the meeting by completing the form at nationalgrid.com/investors/shareholder-information/agm. You will be able to register questions from 8 June 2021 until 11.30am on Thursday 22 July 2021. You will be asked to supply your Shareholder Reference Number for verification. We will make available answers to questions on our website at nationalgrid.com/investors/shareholder-information/agm as soon as practical after the meeting. We reserve our right to group our answers in accordance with the themes from shareholders' questions.

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:
- (i) 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
 - (ii) 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:
 - (a) (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);
 - (b) it is defamatory of any person; or
 - (c) 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 9 July 2021, 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.

Shareholders have the right to ask questions at the AGM which the Company must cause to have answered if they relate to the business being dealt with at the meeting unless:

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

Documents available for inspection

- 16.** Copies of the Company's Existing 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. Copies of the New Articles will be available for inspection at Linklaters LLP offices at 1 Silk Street, London EC2Y 8HQ during normal business hours until the time of the AGM. A copy of the Existing Articles and New Articles are also available on our website at 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 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:
- (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or
 - (ii) 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 auditor 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 11.30am on Monday 26 July 2021 at Royal Lancaster London, Lancaster Terrace, London W2 2TY. To access the AGM, please use the Nine Kings Suite entrance on Westbourne Street.

There is also the possibility that we will be required to adapt these arrangements to respond to the UK government guidelines on short notice. Should the situation change such that we consider that it is no longer possible for any shareholders to attend the meeting in person or in the event that the venue is no longer appropriate, we will notify shareholders via the issuance of a Regulatory News Service announcement to the London Stock Exchange and on our website. Please monitor our website for any updates to the arrangements of the AGM at nationalgrid.com/investors/shareholder-information/aggm.

Attendance at the AGM and the impact of COVID-19

In accordance with the UK government's roadmap to ease COVID-19 restrictions across England at the time of writing, it is expected that it will be possible for us to offer an in-person meeting. However, given the importance of the health and safety of all our colleagues and shareholders, please do strongly consider viewing our AGM live via the webcast this year instead. If you find that the live webcast option will not work for you and you do wish to be admitted to the meeting, you will need to register your intention to attend in advance of the meeting at nationalgrid.com/investors/shareholder-information/aggm. In order to be able to facilitate the attendance of shareholders, please note that additional guests (other than carers attending with shareholders) will not be permitted to attend.

Attendees on the day will be asked to pass through security systems before entering the meeting. For personal safety and security reasons there may be checks and searches conducted.

Recording equipment, cameras or other items that might interfere with the good order of the meeting will not be permitted in the room. Mobile phones must be turned off or be on silent during the meeting.

The meeting will be filmed for webcast purposes. If you attend the meeting in person, you may be included in the webcast. By attending the meeting, you consent to being filmed.

Further, the AGM will be for the formal business of the meeting only, there will be no business exhibitions, and no catering will be available. For information on the latest safety measures in place should you wish to attend, please visit nationalgrid.com/investors/shareholder-information/aggm.

Asking questions at the AGM

All shareholders that wish to ask questions relating to the business of the meeting should pre-register in advance of the meeting by completing the form at nationalgrid.com/investors/shareholder-information/aggm. You will be able to register questions from 8 June 2021 until 11.30am on Thursday 22 July 2021. You will be asked to supply your Shareholder Reference Number for verification. We will make available answers to questions on our website at nationalgrid.com/investors/shareholder-information/aggm as soon as practical after the meeting. We reserve our right to group our answers in accordance with the themes from shareholders' questions.

Accessibility

The venue is easily accessible by wheelchair users and has lift access inside.

Watch our webcast

You can follow the AGM live by watching our webcast online at nationalgrid.com/investors/shareholder-information/aggm. The webcast will commence at 11.30am on Monday 26 July 2021. Viewing the live webcast will not constitute formal attendance at the AGM.

Appoint a proxy

Given the uncertainty around whether shareholders will be able to attend the AGM and the health and safety restrictions for a COVID-19-secure meeting, we strongly urge all shareholders to register their vote in advance by appointing the Chair of the AGM as their proxy and giving voting instructions. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person.

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 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 page 16 for details.

To be valid, Proxy Cards and CREST Proxy Instructions must be received by 11.30am on Thursday 22 July 2021.

Please note that proxy votes can only be submitted via paper Proxy Cards returned to the address stated, electronically via sharevote.co.uk or 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.

The return of a completed Proxy Card or CREST Proxy Instruction will not prevent you from attending the AGM and voting in person if you wish to do so, should this be permitted under applicable COVID-19 restrictions.

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 Financial Conduct 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 which are available on the Company's website at nationalgrid.com/investors/shareholder-information/aggm.

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 Chair 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 Chair decides.

Updates and communications

The Company will continue to monitor the progress of the UK government's roadmap and guidance following the assessment of data at each stage. 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 nationalgrid.com/investors/shareholder-information/agm. In the case of postponement, as required by the Existing 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 and via a Regulatory News Service announcement. 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 before getting involved.

Be ScamSmart and visit fca.org.uk/scamsmart. You can report calls from unauthorised firms to the Financial Conduct Authority 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 nationalgrid.com in the Investors section.

Glossary

- Annual Report** the Company's Annual Report and Accounts for the year ended 31 March 2021.
- ADS** American Depositary Shares.
- AGM** the Annual General Meeting.
- Code** the UK Corporate Governance Code published in 2018.
- CPIH** the Consumer Price Index including owner occupiers' housing costs.
- 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.
- Existing Articles** the Articles of Association of the Company.
- FCA** the Financial Conduct Authority.
- Long Term Performance Plan (the 'LTPP')** the National Grid plc Long Term Performance Plan is a discretionary share plan under which participants may be granted awards of Company Shares or ADSs, normally subject to continued employment and the satisfaction of agreed performance conditions over a set performance period.
- London Stock Exchange** the London Stock Exchange plc.
- National Grid or Company** National Grid plc.
- New Articles** the proposed new articles of the Company for consideration under resolution 25 at the AGM.
- 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.
- Rhode Island Sale** the agreed sale by National Grid to PPL of NECO, conditional upon completion of the WPD Acquisition and receipt of certain regulatory approvals, which is expected to complete before the end of the first quarter of 2022.
- RIIO-2** the regulatory framework for energy networks expected to be issued by Ofgem to start on 1 April 2021.
- RPI** the UK retail price index as published by the Office for National Statistics.
- Scrip Dividend Scheme or Scheme** the National Grid plc Scrip Dividend Scheme.
- Shareholder** a holder of Ordinary Shares in the capital of the Company.
- 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 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 sharevote.co.uk
- Statement of Principles** the Statement of Principles published by the Pre-Emption Group in March 2015.
- US Employee Stock Purchase Plan (the 'ESPP')** the National Grid plc ESPP is an all-employee plan and is designed to qualify under Section 423 of the US Internal Revenue Code of 1986. It allows employees to purchase shares or ADSs in the Company on a monthly basis with up to a 15% discount to the market value. Currently the ESPP is operated over ADSs only and the discount is currently set at 15%.
- WPD Acquisition** the agreement by National Grid to acquire WPD, which is subject to certain regulatory approvals and is expected to complete by July 2021.
- WPD** PPL WPD Investments Limited, the UK's largest electricity distribution business, including four distribution network operators.
- 2006 Act** the Companies Act 2006.

Annex

Long Term Performance Plan ('the LTPP')

The Company's current LTPP, which is used to deliver share-based awards to Executive Directors and other employees, is due to expire in July 2021. Resolution 18, which will be proposed as an ordinary resolution, is to reapprove the adoption of the LTPP. Approval by shareholders will extend the life of the plan for a further 10 years to 2031.

The LTPP is in substantially the same form as the existing plan but has been updated to take account of current market practice. The remuneration policy approved by shareholders under which the existing plan has been, and the updated plan will be, operated is set out in the remuneration report in the Annual Report and Accounts. A summary of the principal features are detailed below.

Eligibility

Employees and Executive Directors of the Company and subsidiaries are eligible to participate in the LTPP.

Grant of awards

The Remuneration Committee (the 'Committee') will decide who will participate in the LTPP, including Executive Directors, and determine how many shares they may receive.

Under the LTPP, participants are granted a right to receive shares in the Company in the future subject to them remaining in employment and to the extent to which any performance conditions are met. The right (referred to as an award) can take the form of rights to free shares or options to acquire shares at an exercise price set at the time of grant (which may be zero). When the participant becomes entitled to the shares the award is said to have vested.

Awards under the LTPP can also be granted to facilitate the deferral of annual bonuses into shares of the Company ('Bonus Deferral Awards').

Awards

Under the current director's remuneration policy, awards (other than Bonus Deferral Awards) to Executive Directors will vest subject to continued employment and to the extent to which any performance conditions are met, determined by the Committee over a performance period of not less than three financial years starting with the year in which the award is made. When determining the number of shares which vest, the Committee will also have regard to the underlying performance of the Company.

Timing of awards

Awards will normally only be granted within 42 days of the announcement of the Company's results for any period or the annual general meeting. Awards may also be granted at other times if the Committee determines there are exceptional circumstances. No awards can be granted more than 10 years after the LTPP's approval by shareholders.

Individual limits

Awards to Executive Directors will be subject to the limit set out in the remuneration policy approved by shareholders from time to time which, under the current policy, is 350% of salary for the CEO and 300% for other Executive Directors.

Vesting of awards

Awards will only vest if and to the extent that any performance condition is met. However, notwithstanding the extent to which any performance condition is met, the Committee may apply a discretionary downward adjustment to the vesting of an award if it considers it appropriate to do so, including to lapse an award in full.

To the extent the award vests, shares will be issued or transferred to the participant or, in the case of an option, the participant may exercise the option for a period of up to 10 years from the date of grant. Instead of issuing or transferring shares, the Committee can decide to pay a cash amount equal to the value of those shares (less any exercise price in the case of an option).

An award can be granted on the basis that the participant will receive an additional amount on vesting based on the dividends paid on the number of shares in respect of which the award vests or is exercised. This may be paid in cash or additional shares.

Holding period

Awards can be granted on the basis that some or all of the shares in respect of which it vests (net of any shares sold to cover tax liabilities on vesting) must be held for a further period. In the case of Executive Directors, awards will normally be subject to a holding period of five years from grant. In limited circumstances such as death, the holding period can expire early.

Malus and clawback

The Committee can reduce (including to zero) or delay the vesting of awards or reduce the shares subject to a holding period in certain circumstances, such as in the event of a material performance failure or a material misstatement of the accounts. The Committee may also require repayment of shares (or cash) for a period of two years after vesting in certain circumstances such as misconduct, material misstatement of accounts, serious reputational damage and corporate failure.

Leaving employment

If a participant leaves employment prior to vesting, their award will normally lapse and any shares will be forfeited (except in the case of Bonus Deferral Awards which lapse for misconduct). But if the participant leaves for reasons such as: disability, ill-health or injury, death, or in other circumstances if the Committee allows, their award will continue in effect and vest on the original vesting date.

Alternatively, if the Committee so decides, the award will vest, or the shares will be released, on leaving. An award will normally only vest on or after leaving to the extent that any performance condition is satisfied at the date of vesting, and unless the Committee decides otherwise (and except in the case of Bonus Deferral Awards), the number of shares in respect of which it vests will be reduced to reflect that they left early.

Takeovers, reorganisations

Awards will generally vest early on a takeover, merger or other corporate event. Alternatively, participants may be allowed or required to exchange their awards for awards over shares in the acquiring company. Where an award vests in these circumstances, any performance condition will be tested to the date of vesting and, unless the Committee decides otherwise, for awards other than Bonus Deferral Awards, the number of shares in respect of which it vests will be reduced to reflect the fact that it is vesting early.

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 LTPP and all other employees' share plans operated by the Company. In addition, the LTPP includes a further limit whereby in any 10-year period, not more than 5% of the issued ordinary share capital of the Company may be issued or be issuable under award under all discretionary share award plans adopted by the Company.

These limits do not include awards which have lapsed but will include awards satisfied with treasury shares as if they were newly issued shares so long as required by applicable institutional investor guidance.

General

The number or type of shares subject to an award and/or any exercise price may be adjusted to reflect a rights issue, a corporate event such as a demerger or any variation in the share capital of the company. Awards are not generally transferable (except to personal representatives on death or with the consent of the Committee) and are not pensionable. Participants do not pay for the grant of an award. Any shares issued following the vesting of awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date. Options will lapse, at the latest, on the 10th anniversary of the date of grant or on such earlier date as may be specified on grant.

Amendments

The Committee can amend the LTPP in any way. 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 rights attaching to awards and shares, the adjustment of awards on variation in the Company's share capital and the amendment powers. The Committee can, without shareholder approval, make minor amendments to benefit the administration of the LTPP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. They can also amend any performance conditions without shareholder approval if anything happens which causes the Committee to consider it appropriate to do so, provided that any such variation or waiver is fair and reasonable. The Committee may also, without shareholder approval, establish further plans based on the LTPP, but modified to take account of overseas securities laws, exchange controls or tax legislation. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the LTPP.

US Employee Stock Purchase Plan (the 'ESPP')

The Company's current ESPP, is an all-employee plan and is designed to qualify under Section 423 of the US Internal Revenue Code of 1986. It allows employees to purchase shares or ADSs in the Company on a monthly basis with up to a 15% discount to the market value. Currently the ESPP is operated over ADSs only and the discount is currently set at 15%. Resolution 19, which will be proposed as an ordinary resolution is to reapprove the rules of the ESPP. Approval by shareholders will extend the life of the plan for a further 10 years to 2031.

The ESPP is in substantially the same form as the existing plan but has been updated to take account of current market practice. The remuneration policy approved by shareholders under which the existing plan has been, and the updated plan will be, operated is set out in the remuneration report in the Annual Report and Accounts. A summary of the principal features are detailed below.

The provisions described above for the LTPP relating to the number of shares which may be issued, timing of awards, the amendment powers and in the section headed 'General' also apply to the ESPP.

Eligibility

All employees (including US-based Executive Directors) of the US subsidiaries are invited to participate. Participation can be restricted to employees who have completed a qualifying period of service within the limits set by the US Internal Revenue Code of 1986. Individuals may not be granted awards if they own shares representing 5% or more of the voting power in the Company. For the remainder of this section reference to 'shares' also includes 'ADSs'.

Contributions

Eligible employees who choose to participate in the ESPP must authorise the deduction of a set amount each month from their post-tax salary (up to a maximum set by the Company and in any event not more than US\$25,000 per year).

Grant of options

Options are granted over a number of shares in the Company which is determined by the amount participants have contributed to the ESPP at the end of a specified offering period, subject to the maximum contribution limits specified above. At the end of that offering period the options become exercisable. Any surplus contributions will automatically be carried over into the next offering period. The Company currently operates a monthly offering period so that options are exercised at the end of each month. Options are not pensionable.

Purchase price

The option price payable for each share shall be determined by the Remuneration Committee, but may not be less than the lower of 85% of the market value of the shares on the first day of the applicable offering period, or the market value on the date of exercise.

Plan limits

The number of shares which may be issued or transferred pursuant to the ESPP may not exceed 200,000,000. The limits on the new shares which may be issued under the LTPP described above also apply to the ESPP.

Exercise of options

Options are normally automatically exercised at the end of each specified offering period. Options may, however, be exercised early in certain circumstances. These include, for example, an employee leaving because of injury, permanent disability, retirement or death. On cessation of employment for other reasons, options will normally lapse and contributions will be returned to the participant.

Leaving employment

On leaving employment, outstanding contributions together with the shares and any residual cash amounts are withdrawn from the ESPP and returned to participants.

Change of control, merger or other reorganisation

Upon a takeover, scheme of arrangement, merger or other reorganisation, in the Directors' discretion:

- (i) all options may be exercised early; or
- (ii) cancelled and all contributions returned to participants; or
- (iii) exchanged for options over shares in the successor company; or
- (iv) treated in any other manner the Directors may deem appropriate.

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National Grid Share Register,
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