

The Company announced on 20 May 2021 that Nicola Shaw will not be seeking re-election by shareholders and will step down from the Board at the conclusion of the Company's Annual General Meeting (AGM) on 26 July 2021. Per the announcement, Nicola has agreed to stay with the Company until after the conclusion of the RIIO-T2 Competition and Markets Authority (CMA) appeal process later in the year and continue as Chair of the Company's subsidiaries, National Grid Electricity Transmission plc and National Grid Gas plc, to help the new management teams. Further to this announcement the remuneration arrangements which will apply on exit are set out below.

Salary and benefits

Ms Shaw will remain in active employment until 31 October 2021, after which she will commence a period of garden leave. Ms Shaw will continue to receive salary and benefits until her termination date of 30 April 2022.

Ms Shaw's employer, National Grid Electricity Transmission plc, may agree to release Ms Shaw from her employment at an earlier date (which shall not be earlier than 1 November 2021). Ms Shaw will receive pay in lieu of notice (PILON) for the unexpired period of her 12 month notice period (including in circumstances where her employer agrees to release her from her employment at an earlier date). However, this remains subject to Ms Shaw's contractual duty to mitigate, such that any payments to her in lieu of notice shall be reduced by the amount of alternative income received from any new employment as applicable.

Ms Shaw will receive pay in lieu of accrued but untaken holiday, a statutory redundancy payment and will also have access to outplacement support and receive a contribution towards her legal fees. All payments are subject to applicable tax withholdings.

2021/22 Annual Performance Plan (APP)

Ms Shaw is also entitled to a pro-rated portion of the Company's APP for the 2021/22 performance year, based on the time worked up to 31 October 2021 within the performance year, subject to the achievement of the applicable performance criteria. The amount of such bonus will be determined by the Remuneration Committee and will be paid at the normal time. Per the normal plan rules, 50% of this amount will be payable in cash and 50% in National Grid plc shares, subject to applicable tax withholding. Shares which are paid must be retained for two years after receipt.

Long Term Performance Plan (LTPP)

Ms Shaw will not receive any further share awards.

She holds a total of 577,674 outstanding share awards under the LTPP which will vest at the normal vesting dates (July 2021, July 2022 and July 2023) subject to satisfaction of their specified performance conditions at that time. Each award will be pro-rated for time served to the termination date and each vested award will have applicable dividend equivalent shares added in accordance with plan rules. Shares which vest under the LTPP must be retained for two years post-vesting.

Share Incentive Plan

The shares Ms Shaw holds under the Share Incentive Plan will be treated in accordance with rules of that plan.

Sharesave

Ms Shaw has one Sharesave contract with an option over a total of 4,070 shares. These options will be exercisable for a period of six months following her termination date.

Shareholding Requirement

Ms Shaw is required to maintain a minimum shareholding in National Grid's shares equivalent to 200% of her base salary for two years following her termination date.

Remuneration Arrangements for 2020/21

Ms Shaw's remuneration arrangements for the 2020/21 financial year, including her APP for 2020/21 and the expected vesting in July of the 2018 LTTP award are detailed in the Directors' Remuneration Report which can be found within the 2021 Annual Report and Accounts and subsequent years, as appropriate.