

## **Notice of 2019 Annual General Meeting**

**The 2019 Annual General Meeting of National Grid plc (the 'Company') will be held at 11.30am on Monday 29 July 2019 at The ICC, 8 Centenary Square, Birmingham B1 2EA.**

**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.

# Resolutions

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

1. To receive the Company's accounts for the year ended 31 March 2019, the Directors' Reports and the Auditors' Report on the accounts (the 'Annual Report').
2. To declare a final dividend of 31.26 pence per Ordinary Share (US\$2.0256 per American Depositary Share ('ADS')) for the year ended 31 March 2019.
3. To re-elect Sir Peter Gershon as a Director.
4. To re-elect John Pettigrew as a Director.
5. To elect Andy Agg as a Director.
6. To re-elect Dean Seavers as a Director.
7. To re-elect Nicola Shaw as a Director.
8. To re-elect Jonathan Dawson as a Director.
9. To re-elect Therese Esperdy as a Director.
10. To re-elect Paul Golby as a Director.
11. To re-elect Amanda Mesler as a Director.
12. To elect Earl Shipp as a Director.
13. To elect Jonathan Silver as a Director.
14. To re-elect Mark Williamson as a Director.
15. To re-appoint Deloitte LLP as the Company's auditors until the conclusion of the next general meeting at which accounts are laid before the Company.
16. To authorise the Directors to set the auditors' remuneration.
17. To approve the new Directors' remuneration policy set out on pages 74 to 78 in the Annual Report.
18. To approve the Directors' Remuneration Report (excluding the Directors' remuneration policy referred to in resolution 17) set out on pages 69 to 90 in the Annual Report.
19. To authorise the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect for the purposes of Part 14 of the Companies Act 2006 (the '2006 Act'):
  - (i) to make political donations to political parties, and/or independent election candidates not exceeding £125,000 in aggregate;
  - (ii) to make political donations to political organisations other than political parties, not exceeding £125,000 in aggregate; and
  - (iii) to incur political expenditure, not exceeding £125,000 in aggregate

provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000 during the period commencing on the date of passing of this resolution and ending at the earlier of the close of the next AGM and 29 October 2020.

Words and expressions defined for the purpose of the 2006 Act shall have the same meaning in this resolution.
20. 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 £141,380,440.
 

This authority shall expire at the earlier of the close of the next AGM and 29 October 2020 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.
21. To authorise the Directors, in accordance with the articles of association ('Articles'), to offer the holders of Ordinary Shares of the Company, to the extent and in the manner determined by the Directors, the right to elect to receive new Ordinary Shares (credited as fully paid) instead of cash, in respect of all or part of any dividend which may be declared or paid in the period prior to the conclusion of the AGM to be held in 2022.
22. Subject to the passing of resolution 21, to authorise the Directors, in accordance with the Articles, to capitalise the appropriate nominal amounts of new shares of the Company allotted pursuant to the Company's Scrip Dividend Scheme out of the sums standing to the credit of any reserve or account of the Company.

**23.** Subject to the passing of resolution 20 set out above, to authorise the Directors, in accordance with Section 570 of the 2006 Act, to allot equity securities wholly for cash, including a sale of treasury shares, as if Section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this authority shall be limited to:

- (i) any such allotment or sale in connection with a pre-emptive offer; and
- (ii) any such allotment or sale, otherwise than pursuant to a pre-emptive offer, of equity securities up to an aggregate nominal value of £21,207,066.

This authority shall expire at the earlier of the close of the next AGM and 29 October 2020 except that the Directors shall be entitled, at any time prior to the expiry of this authority, to make an offer or enter into an agreement which would, or might, require equity securities to be allotted wholly or partly and treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares in accordance with such offer or agreement as if the authority conferred had not expired.

**24.** Subject to the passing of resolution 20 set out above and in addition to any authority granted under resolution 23, to authorise the Directors, in accordance with Section 570 of the 2006 Act, to allot equity securities wholly for cash, including a sale of treasury shares, as if Section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this authority shall be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £21,207,066; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This authority shall expire at the earlier of the close of the next AGM and 29 October 2020 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.

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

- (i) the maximum number of Ordinary Shares that may be acquired is 341,188,512 being 10% of the Company's issued share capital (excluding treasury shares) as at 15 May 2019;
- (ii) the minimum price per Ordinary Share that may be paid for any such shares is 12 <sup>204/473</sup> 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 as stipulated by Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation.

This authority shall expire at the earlier of the close of the next AGM and 29 October 2020 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.

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

The Directors believe the proposals set out in resolutions 1 to 26 are in the best interests of shareholders as a whole and they unanimously recommend that shareholders vote in favour of each of the resolutions as they intend to do in respect of their own holdings.

On behalf of the Board

**Alison Kay**

**Group General Counsel & Company Secretary**

15 May 2019  
National Grid plc

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

# Explanation of resolutions

Resolutions 23 to 26 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 are being 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.

Copies of the full Annual Report will be available at the AGM. This document is also available on the Company's website at [www.nationalgrid.com](http://www.nationalgrid.com). Paper copies can be obtained from Equiniti; see the back page for contact details.

## Resolution 2

### To declare a final dividend

The Company requires shareholder approval to pay a final dividend. The dividend cannot exceed the amount recommended by the Directors. If approved, the final dividend of 31.26 pence per Ordinary Share (US\$2.0256 per ADS) will be paid on 14 August 2019 to shareholders on the register of members at the close of business on 31 May 2019. The dividend is to be paid in respect of each Ordinary Share other than those Ordinary Shares in respect of which a valid election has been made, pursuant to the Company's Scrip Dividend Scheme, to receive new Ordinary Shares instead of the final dividend in cash. Dividends are declared in both pence and US\$ to ensure that holders of both Ordinary Shares and ADSs are paid the declared dividend on the same day.

## Resolutions 3-14

### Election and re-election of Directors

The Company's Articles require that any Director appointed to the Board retire and seek election by shareholders at their first AGM following appointment and subsequent re-election at least once every three years. Accordingly, following the appointment of Andy Agg and Earl Shipp, both with effect from 1 January 2019, and the announcement on 15 May 2019 of the appointment of Jonathan Silver with effect from 16 May 2019, Andy, Earl and Jonathan will seek election at this AGM. Additionally, in accordance with the UK Corporate Governance Code 2018 (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 considers the balance of skills, experience, independence and knowledge on the Board and confirmed that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties for the Company. Each Director proposed for re-election has also been subject to a formal performance evaluation which had regard to that Director's ability to promote the success of the Company, whilst having due regard to other stakeholders.

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

The Board considers that the independent character and judgement of the Non-executive Directors and the varied and relevant experience of all the Directors combine to provide an appropriate balance of skills and knowledge which, in the Board's view, 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 Andy Agg, Earl Shipp and Jonathan Silver and the re-election of all other Directors.

The biographical details of all Directors are set out below.

| Key         |                                          |
|-------------|------------------------------------------|
| <b>A</b>    | Audit Committee                          |
| <b>E</b>    | Executive Committee                      |
| <b>F</b>    | Finance Committee                        |
| <b>N</b>    | Nominations Committee                    |
| <b>R</b>    | Remuneration Committee                   |
| <b>S</b>    | Safety, Environment and Health Committee |
| <b>(ch)</b> | Chair of the Committee                   |

## Resolution 3

### To re-elect Sir Peter Gershon CBE FREng, Chairman

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

**Committee membership:** N (ch)

**Tenure:** 7 years

**Skills and competencies:** Sir Peter is an experienced leader, having held senior board-level positions spanning both public and private sectors in the computer, defence and telecommunications industries. He has served as Chief Executive and as a Managing Director in several high-profile organisations. Through his broad business experience and previous roles, Sir Peter brings external insight, understanding of diverse issues and the strong corporate governance expertise required to create and lead an effective Board.

### External appointments:

- Non-executive Chairman of the Aircraft Carrier Alliance Management Board and Dreadnought Alliance;
- Trustee of The Sutton Trust;
- Trustee of the Education Endowment Foundation;
- Chairman of Join Dementia Research (JDR) Partnership Board; and
- Board member of The Investor Forum.

## 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:** E (ch), F

**Tenure:** 5 years

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

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

#### External appointments:

- Member of the Government's Inclusive Economy Partnership;
- Member of the CBI's President's Committee; and
- Non-executive Director and Senior Independent Director of Rentokil Initial plc.

## Resolution 5

### To elect Andy Agg, Chief Financial Officer (CFO)

**Appointed:** Interim Chief Financial Officer from 30 July 2018. Appointed as CFO on 1 January 2019

**Committee membership:** E, F

**Tenure:** Less than 1 year

**Skills and competencies:** Andy trained and qualified as a chartered accountant with PricewaterhouseCoopers and is a member of the ICAEW. He has significant financial experience, having previously held a number of senior finance leadership roles across the Group, including Group Financial Controller, UK CFO and, most recently, Group Tax and Treasury Director. Andy's in-depth knowledge of National Grid, both in the UK and US, and his broad experience in operational and corporate finance roles have ensured a smooth transition to his role as CFO.

**External appointments:** None.

## Resolution 6

### To re-elect Dean Seavers, Executive Director, US

**Appointed:** 1 April 2015

**Committee membership:** E

**Tenure:** 4 years

**Skills and competencies:** Dean brings to the Board a broad range of financial and customer experience, along with significant general management experience with a particular focus on change and performance improvement programmes. He has a proven track record of building successful teams and improving operations. Dean's keen finance and business development skills continue to differentiate the Company as a leading US energy distributor and innovator.

#### External appointments:

- Advisor to the Board at City Light Capital; and
- Non-executive Director of Albemarle Corporation.

## Resolution 7

### To re-elect Nicola Shaw CBE, Executive Director, UK

**Appointed:** 1 July 2016

**Committee membership:** E

**Tenure:** 2 years

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

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

#### External appointments:

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

# Explanation of resolutions continued

## Resolution 8

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

**Appointed:** 4 March 2013

**Committee membership:** R (ch), F, N

**Tenure:** 6 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. As a Non-executive Director, Jonathan brings scrutiny, additional challenge and independent oversight to the Board.

### External appointments:

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

## Resolution 9

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

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

**Committee membership:** F (ch), A, N

**Tenure:** 5 years

**Skills and competencies:** Therese has significant international investment banking experience, having held a variety of leadership roles spanning 26 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. Her sharp and incisive thinking enables her to contribute and constructively challenge on a wide range of Board debates.

### External appointments:

- Non-executive Director and Senior Independent Director of Imperial Brands PLC; and
- Non-executive Director of Moody's Corporation.

## Resolution 10

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

**Appointed:** 1 February 2012

**Committee membership:** S (ch), A, N

**Tenure:** 7 years

**Skills and competencies:** Paul is a Chartered Engineer and has a lifelong passion for engineering and innovation, having spent his career in the energy and regulatory sectors. He brings a valuable engineering and industry perspective as well as the attributes of an experienced Chairman and Chief Executive to his role as a Non-executive Director. Paul's deep understanding and specific experience in safety and risk management is crucial to his role as Chair of the Safety, Environment and Health Committee.

### External appointments:

- Chairman of Costain Group PLC;
- Chairman of the UK National Air Traffic Services; and
- Member of the Prime Minister's Council for Science and Technology.

## Resolution 11

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

**Appointed:** 17 May 2018

**Committee membership:** A, N, S

**Tenure:** 1 year

**Skills and competencies:** Amanda brings to the Group extensive international leadership and general management experience from the technology and fintech sectors. She has over 25 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 a new entrepreneurial perspective to the Board.

### External appointment:

- Chief Executive Officer of Earthport plc.

## Resolution 12

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

**Appointed:** 1 January 2019

**Committee membership:** N, R, S

**Tenure:** Less than 1 year

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

**External appointments:**

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

## Resolution 13

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

**Appointed:** 16 May 2019

**Committee membership:** F, N, R

**Tenure:** Less than 1 year

**Skills and competencies:** Jonathan has considerable knowledge of the US regulated energy environment; experience and understanding of integrating public policy and technology into a utility and a strong background in finance. He is the Managing Partner of Tax Equity Advisors LLC, which manages investment in large-scale renewable projects. He has been recognised as one of the United States "Top 10 Green Tech Influencers", having worked in the US Department of Energy during the first Obama Administration, where he led the federal government's \$40 billion clean energy investment fund and a \$20 billion fund focused on electric vehicles. Jonathan has also served as a senior policy advisor to the U.S. Cabinet Secretaries of Commerce and Interior during the Clinton Administration. Jonathan's strong background in finance and government policy and his long career at the intersection of policy, technology, finance and energy will bring very positive insight to the Board's policy discussions and to its interaction with management.

**External appointments:**

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

## Resolution 14

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

**Appointed:** 3 September 2012

**Committee membership:** A (ch), N, R

**Tenure:** 6 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 and Non-executive Director and Senior Independent Director of Alent plc cement his extensive financial experience and provide a deep understanding of the utilities sector. This allows him to bring a financial and strategic outlook on diverse subjects in support of the Board and its Committees. In his role as Senior Independent Director, Mark brings an excellent understanding of investor expectations as well as having significant experience in managing relationships with investor and financial communities.

**External appointments:**

- Chairman of Imperial Brands PLC; on 11 February 2019, Imperial Brands PLC announced that Mark would step down as Chairman once a suitable successor had been found; and
- Chairman of Spectris plc.

## Resolutions 15 and 16

### Auditors' re-appointment and remuneration

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

The Audit Committee considered the effectiveness and performance of the auditors and the audit process, and concluded that it was satisfied with the auditors' performance. The Audit Committee unanimously recommended to the Board the re-appointment of Deloitte LLP. Further details of the work carried out by the Audit Committee are set out on pages 58 to 62 of the Annual Report.

### Resolution 15

**To re-appoint the auditors Deloitte LLP**

It is a requirement that the Company's auditors must be re-appointed annually at each general meeting at which accounts are laid before the Company, which will normally be at each AGM. This resolution proposes the re-appointment of Deloitte LLP as the Company's auditors for the year ending 31 March 2020.



# Explanation of resolutions continued

## Resolution 16

### To authorise the Directors to set the auditors' remuneration

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

The Audit Committee will consider and approve the audit fees on behalf of the Board in accordance with the Competition and Markets Authority Audit Order 2014.

## Resolutions 17 and 18

### Directors' remuneration

These resolutions deal with the remuneration of the Directors and seek approval of the new Directors' remuneration policy and the remuneration paid to the Directors during the year under review respectively.

## Resolution 17

### To approve the new Directors' remuneration policy

This year a new remuneration policy is set out on pages 74 to 78 of the Annual Report. The current remuneration policy was approved by shareholders at the 2017 AGM. 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. Much of the remuneration policy remains unchanged as we feel most aspects continue to be appropriate for the business. We are however, asking for shareholder approval a year earlier than required in order to make modifications to the Long Term Performance Plan measures (not quantum) which take account of the impact of the transition to the next UK Regulatory Framework, RIIO-T2. We are also taking the opportunity to propose some other changes in response to the provisions of the 2018 UK Corporate Governance Code as well as other developments in the corporate governance environment. We have engaged widely with institutional shareholders and proxy advisory service organisations on our policy proposals.

The key changes of the new policy are:

- changes to the performance measures (but not quantum) in the Long Term Performance Plan;
- a reduction in the maximum company pension contribution for newly appointed Executive Directors;
- the introduction of a post-employment shareholding requirement for existing Executive Directors; and
- further detail on when and how malus and/or clawback would apply to incentive awards.

Please see the Remuneration Committee Chair's statement on pages 69 to 72 of the Annual Report for further details of the above changes and the relevant sections of the new policy set out on pages 74 to 78 of the Annual Report.

This resolution is a binding vote. If the 2019 Directors' remuneration policy is not approved by shareholders, the Company will continue to make payments to Directors in accordance with existing arrangements and will seek shareholder approval for a revised policy as soon as is practicable and at the next AGM at the latest.

## Resolution 18

### To approve the Directors' Remuneration Report (excluding the Directors' remuneration policy referred to in resolution 17)

This resolution deals with the remuneration of the Directors and seeks approval for the remuneration paid to the Directors during the year under review and for which the provisions of our current remuneration policy apply. This is set out in the Directors' Remuneration Report on pages 69 to 90 of the Annual Report.

This is an advisory resolution and means that, should shareholders vote against the Directors' Remuneration Report, the Directors can still be paid under the current remuneration policy from time to time but the Remuneration Committee will reconsider the Directors' remuneration policy going forward.

## Resolution 19

### 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 European Union ('EU') political expenditure, as defined by the 2006 Act.

The 2006 Act requires companies to obtain shareholders' approval for donations to registered political parties within the EU and other political organisations totalling more than £5,000 in any twelve-month period, and for any EU 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 EU political expenditure 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 EU political expenditure for the period from the date of the AGM to the earlier of the close of the next AGM and 29 October 2020.



## Resolution 20

### To authorise the Directors to allot Ordinary Shares

The purpose of resolution 20 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 £141,380,440 (representing approximately 1,137,295,043 Ordinary Shares), which is equivalent to approximately 33% of the issued share capital of the Company, exclusive of treasury shares, as at 15 May 2019.

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 29 October 2020.

As at 15 May 2019, the number of Ordinary Shares in issue was 3,687,483,073 and the Company held 275,597,944 of these Ordinary Shares as treasury shares, representing 8.08% of the issued share capital excluding treasury shares.

## Resolutions 21 and 22

### Scrip dividend

#### Resolution 21

#### To authorise the Directors to operate a Scrip Dividend Scheme

The Directors are proposing that the Company renew the authority (granted at the 2014 AGM in respect of any dividend declared or paid in the period prior to the conclusion of the AGM to be held in 2019) to operate an optional scrip dividend scheme to commence with the proposed 2018/19 final dividend payable in August 2019. The Scrip Dividend Scheme is subject to shareholder approval. Such a scheme will give shareholders the right to elect to receive new Ordinary Shares in the capital of the Company (credited as fully paid) instead of future cash dividends. In line with the Investment Association Share Capital Management guidelines and as permitted by the Company's Articles, the authority contained in this resolution is sought for three years.

The terms and conditions of the National Grid Scrip Dividend Scheme will be amended with effect from the conclusion of the AGM. The revised terms and conditions are set out at Annex 1 and will be available in the Investors area of our website, [www.nationalgrid.com](http://www.nationalgrid.com). The proposed changes are largely administrative in nature and are not material to the way in which the scheme currently operates.

Shareholders who elect to take new shares in the Company under the scheme will increase their holdings without incurring stamp duty or dealing costs. For the avoidance of doubt, existing scrip mandates executed by shareholders previously will remain effective and will apply to future dividends for which a scrip alternative is offered unless the mandate is cancelled by the shareholder by contacting Equiniti in accordance with the Scrip Dividend Scheme terms and conditions.

The number of shares that shareholders will be entitled to receive under the scheme will be determined by their holdings and the reference share price. The reference share price will be calculated based on the average closing middle market quotations for the Company's shares as derived from the London Stock Exchange Daily Official List for five dealing days commencing on the ex-dividend date for each dividend. Details of how the Scrip Dividend Scheme will operate in respect of the proposed 2018/19 final dividend and future dividends together with the terms and conditions of the scheme can be found at Annex 1.

# Explanation of resolutions continued

## Resolution 22

### To authorise capitalising reserves for the Scrip Dividend Scheme

In accordance with the Articles of the Company, approval is sought to capitalise sums standing to the credit of the reserves of the Company, including the share premium account. This would enable the Directors to apply such sums in paying up in full the nominal amounts of new shares allotted to shareholders pursuant to elections under the Scrip Dividend Scheme.

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

## Resolutions 23 and 24

### To disapply pre-emption rights

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

For the purposes of these resolutions:

- (a) “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;
- (b) references to an allotment of equity securities shall include a sale of treasury shares; and
- (c) 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.

In accordance with the Pre-Emption Group's Monitoring Report published in May 2016, the Company has split the authority into two resolutions for the purposes of this AGM. The authorities will expire at the earlier of the close of the next AGM and 29 October 2020. A renewal of these authorities is intended to be proposed at each subsequent AGM.

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

## Resolution 23

### Limited disapplication of pre-emption rights

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

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

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

Accordingly, the purpose of part (ii) of resolution 23 is to authorise the Directors to allot new Ordinary Shares and other equity securities pursuant to the allotment authority given by resolution 20, or sell treasury shares, for cash up to a nominal value of £21,207,066, equivalent to 5% of the total issued ordinary share capital of the Company excluding treasury shares and 4.63% of the total issued ordinary share capital of the Company including treasury shares, as at 15 May 2019, without the shares first being offered to existing shareholders in proportion to their existing holdings.

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

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

## Resolution 24

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

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

Accordingly, and in line with the template resolutions of the Pre-Emption Group, the purpose of resolution 24 is to authorise the Directors to allot new Ordinary Shares and other equity securities pursuant to the allotment authority given by resolution 20, or sell treasury shares, for cash up to a further nominal amount of £21,207,066, equivalent to 5% of the total issued ordinary share capital of the Company excluding treasury shares and 4.63% of the total issued ordinary share capital of the Company including treasury shares, as at 15 May 2019, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in resolution 24 is used, the Company will publish details of the placing in its next annual report.

## Resolution 25

### To authorise the Company to purchase its own Ordinary Shares

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

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

Further to the explanatory note to resolution 20, 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 year ended 31 March 2019, the Company purchased no 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 15 May 2019, options were outstanding over 22,527,452 Ordinary Shares, representing approximately 1% of the issued share capital (excluding treasury shares). If the proposed market purchase authority were used in full, shares over which these options were outstanding would represent approximately 1% of the adjusted share capital (excluding treasury shares).

## Resolution 26

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

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

# Notes

1. To be entitled to attend and vote at the AGM, shareholders must be included in the register of members of the Company as at 6pm on Saturday 27 July 2019 or, in the event that this AGM is adjourned, in the register of members 48 hours before the time of any adjourned AGM. They 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 6pm on Saturday 27 July 2019 or, in the event that this AGM is adjourned, in the register of members 48 hours before the time of any adjourned AGM, shall be disregarded in determining the rights of any person to attend or vote at the AGM.
2. As at 15 May 2019 (being the latest practicable date before publication of this Notice of AGM), there were 3,687,483,073 Ordinary Shares in issue, carrying one vote each, and 275,597,944 shares in treasury. Shares held in treasury do not have voting rights. Therefore, the total number of voting rights exercisable as at 15 May 2019 is 3,411,885,129.
3. Registered holders of Ordinary Shares are entitled to attend, speak and vote, either in person or by proxy, at general meetings of the Company.
4. Each of the resolutions to be put to the meeting will be voted on by a poll and not by a show of hands. A poll reflects the number of voting rights exercisable by each shareholder and so the Directors consider it a more democratic method of voting. The results will be published on the Company's website and notified to the UK Listing Authority once the votes have been verified.
5. 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 his/her 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 his or her discretion or withhold from voting, as he or she sees fit. Your proxy will also vote (or withhold from voting) as he or she thinks fit in relation to any other matter which is validly put before the meeting. Unless specified otherwise, the Chairman of the Company will act as proxy and vote on a poll as directed by the appointing shareholder. Shareholders will, as applicable, have been sent a personalised Proxy Card or alternatively will be able to complete a proxy form online at [www.sharevote.co.uk](http://www.sharevote.co.uk).
6. To be valid, Proxy Cards must be received by no later than 11.30am on Saturday 27 July 2019, 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. Alternatively, shareholders can complete the proxy form online at [www.sharevote.co.uk](http://www.sharevote.co.uk) by no later than 11.30am on Saturday 27 July 2019. 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 [www.nationalgrid.com/group/about-us/corporate-governance](http://www.nationalgrid.com/group/about-us/corporate-governance).
8. If this Notice of AGM is sent to you as a person nominated to receive copies of Company communications, the proxy rights described above do not apply. The rights described in these paragraphs only apply to shareholders. You may have a right under an agreement with the registered member to be appointed (or have someone else appointed) as a proxy for the AGM, and you are advised to contact them. Alternatively, if you do not have such a right, or do not wish to exercise it, you may have a right under such agreement to give instructions to the registered member holding the shares as to the exercise of voting rights.
9. 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.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual available via [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
11. 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 8.00pm on Friday 26 July 2019. 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.

- 12.** 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 (a) answering such questions would unduly interfere with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on the Company's website in the form of an answer to a question, or (c) answering the questions would be undesirable in the interests of the Company or the good order of the meeting.
- 13.** 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 14 June 2019, being the date six clear weeks before the meeting, 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.
- 14.** Copies of the Directors' service contracts or letters of appointment and the Company's Articles will be available for inspection at the registered office of the Company at 1-3 Strand, London WC2N 5EH during normal business hours until the time of the AGM and at The ICC, 8 Centenary Square, Birmingham B1 2EA from 15 minutes before the AGM until it ends.
- 15.** Copies of this Notice of AGM, the Annual Report and information required by Section 311A of the 2006 Act are available on the Company's website at [www.nationalgrid.com](http://www.nationalgrid.com). Shareholders should note it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (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 auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement the Company has been required under Section 527 of the 2006 Act to publish on a website.
- 16.** 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

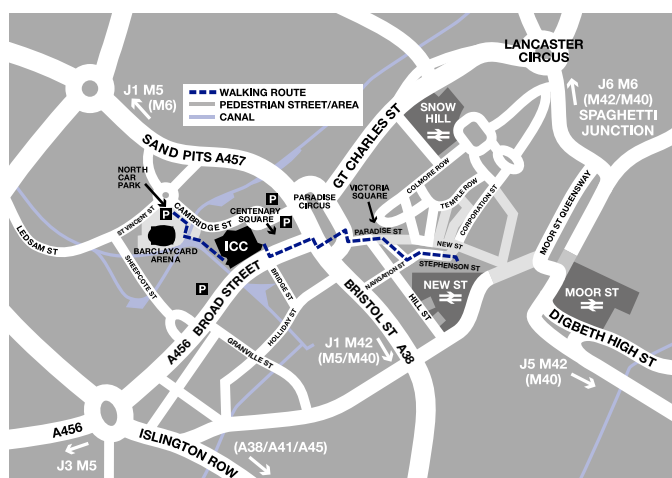
## The AGM

The AGM will take place at 11.30am on Monday 29 July 2019 at The ICC, 8 Centenary Square, Birmingham B1 2EA (see map below). Registration for the AGM will open at 10.00am on Monday 29 July 2019.

## Venue

For location and travel details to The ICC, please visit [www.theicc.co.uk/find-us](http://www.theicc.co.uk/find-us). For walking route details, please visit [www.theicc.co.uk/birmingham/walking-routes/](http://www.theicc.co.uk/birmingham/walking-routes/).

Limited free car parking will be available adjacent to the venue (Arena Birmingham – North Car Park) on a 'first come, first served' basis. There is no pre-registration; simply park on the day and at any point before you leave go to the nearest pay kiosk and enter your vehicle registration and how many hours you have been parked. You will then be prompted to enter the code NGAGM29. A green circle with a white tick will then appear, this means that your parking has been validated. If you have any queries, please press the help button on the pay kiosk to speak to someone who will be able to help you. If you do not enter this code or your vehicle registration is incorrect you will be charged the full price for parking. If you have any questions in relation to the parking, please contact ParkJockey on +44 (0) 2078 428508 or [info@parkjockey.com](mailto:info@parkjockey.com). Car parking for shareholders with special access requirements is also available. Please call The ICC on +44 (0) 121 644 6000 (calls will be charged at your standard network rate). Shareholders walking to the AGM from Birmingham New Street Station should leave the station via the New Street/Victoria Square exit.



Map correct at the time of going to print

## If you can attend the meeting

Please bring your notification card (Shareholder information and Attendance Card) if received in hard copy or a copy of the email notification if we communicate with you electronically, as this will help with registration.

Tea and coffee will be available before the meeting and a light lunch will be provided after the meeting in the main hall. Please note that food and drink are not permitted in the auditorium.

You will be asked to pass through our security systems before entering the meeting. For your personal safety and security there may be checks and searches conducted. Please do not bring suitcases, large bags or rucksacks. If you do, we may ask you to leave the item in the cloakroom.

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

If there is a question that you wish to ask at the meeting, we would encourage you to pre-register your question with a member of the team at the Question Registration area in the main hall.

Equiniti will be available before and after the meeting to answer any questions you may have regarding your shareholding. National Grid staff will also be available to answer any questions you may have on the Company's activities.

The meeting will be filmed for webcast purposes. If you attend the meeting in person, you may be included in the webcast. Please note that the webcast footage may be transferred outside the European Economic Area. By attending the meeting, you consent to being filmed.

## Accessibility

The ICC is easily accessible by wheelchair users and has lift access inside. An induction loop is available for shareholders with hearing difficulties.

## If you cannot attend the meeting

### Watch our webcast

If you cannot attend you can follow the meeting by watching our webcast online at [www.nationalgrid.com](http://www.nationalgrid.com).

### Appoint a Proxy

If you cannot attend the meeting, in order to vote on the resolutions being proposed at the AGM, you will need to appoint a proxy using one of the following methods (as applicable):

- Complete the proxy form online at [www.sharevote.co.uk](http://www.sharevote.co.uk)
- Complete, date and sign the paper Proxy Card enclosed with this Notice and return it using the pre-paid envelope provided or deliver it by hand during normal business hours to:

Equiniti  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

- If you are a CREST member you can submit a message via CREST, please see notes 10 and 11 on page 12 for details.



To be valid, Proxy Cards must be received by 11.30am on Saturday 27 July 2019 and CREST Proxy Instructions by 8.00pm on Friday 26 July 2019.

Please note that proxy votes can only be submitted via paper Proxy Cards returned to the address stated, electronically via [www.sharevote.co.uk](http://www.sharevote.co.uk) or [www.shareview.co.uk](http://www.shareview.co.uk) or via CREST. Proxy votes cannot be submitted via any other means of communication.

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.

## Voting

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

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

## Beware of share fraud

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

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

## Want more information or help?

Equiniti can help with shareholding queries and can provide you with a copy of the Annual Report. Their contact details are overleaf. Alternatively, the Annual Report and this Notice of Meeting are available at [www.nationalgrid.com](http://www.nationalgrid.com) in the Investors section.

## Glossary

**Annual Report** the Company's Annual Report and Accounts for the year ended 31 March 2019

**ADS** American Depositary Shares

**AGM** the Annual General Meeting

**Articles** the Articles of Association of the Company

**Code** the UK Corporate Governance Code published in 2018

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

**Directors** the directors of National Grid plc

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

**EU** the European Union, being the economic and political union of 28 member states located in Europe

**FCA** the Financial Conduct Authority

**London Stock Exchange** the London Stock Exchange plc

**National Grid** or **Company** National Grid plc

**Ordinary Shares** Ordinary Shares of 12 <sup>204/473</sup> pence each in the capital of the Company

**Scrip Dividend Mandate** or **Mandate Form** a mandate (in a form provided by the Company) from a shareholder to the Directors to allot new shares under the terms of the Scheme in lieu of a cash dividend to which they may become entitled from time to time

**Scrip Dividend Scheme** or **Scheme** the National Grid plc Scrip Dividend Scheme as comprised under and subject to the terms and conditions contained in this document as amended from time to time

**Scrip Election Date** the latest date for receipt of Mandate Forms or CREST Dividend Election Input Messages to enable a scrip dividend election to apply for a particular dividend

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

**Shareview portfolio** means the online portfolio service provided by the Equiniti Group where a shareholder can find details regarding their holding. Further information can be found at: [www.shareview.co.uk](http://www.shareview.co.uk)

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

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

**2006 Act** the Companies Act 2006

# Annex 1

## Scrip Dividend Scheme – Terms and Conditions

This document is important and requires your immediate attention. If you are in any doubt about the action you should take with this document, you should immediately consult an appropriate independent advisor duly authorised under the UK Financial Services and Markets Act 2000.

### 1. The Scrip Dividend Scheme

The optional Scrip Dividend Scheme ('Scheme') enables shareholders to receive new fully paid Ordinary Shares in National Grid plc (the 'Company') instead of cash dividends. This makes it possible for shareholders to increase their shareholdings in National Grid without incurring dealing costs or stamp duty. Please see paragraph 16 below for taxation information.

The operation of the Scheme is subject always to the Directors' decision to make an offer of new fully paid Ordinary Shares in respect of any particular dividend. Should the Directors decide not to offer new shares in respect of any particular dividend, cash will automatically be paid instead.

### 2. Joining the Scheme

All UK shareholders holding their shares either in certificated form or in the National Grid Corporate Sponsored Nominee Service ('CSN') can, if they so wish, join the Scheme by completing and submitting a Scrip Dividend Mandate Form. This can be done online by visiting their Shareview portfolio [www.shareview.co.uk](http://www.shareview.co.uk), and changing their dividend options, or by completing a paper Mandate Form (which may be amended from time to time) and sending it to the Company's Registrar, Equiniti Limited. No acknowledgment of receipt of online instructions or paper Mandate Forms will be issued. For details regarding overseas shareholders, please see paragraph 11 below. Further copies of the paper Mandate Form may be obtained online at [www.nationalgrid.com](http://www.nationalgrid.com) or from the Company's Registrar. All elections will be subject to fulfilment of the conditions specified on their Shareview portfolio or in the paper Mandate Form. The right to elect to receive new shares is non-transferable.

The date by which scrip elections must be made is referred to as the 'Scrip Election Date'. The applicable Scrip Election Date in relation to each dividend will be announced by the Company and made available on its website at [www.nationalgrid.com](http://www.nationalgrid.com). Completed Mandate Forms must be received by the Company's Registrar (either by post or online via the Shareview portfolio) before 5pm (London time) on the Scrip Election Date to apply to the dividend to be paid in order to be eligible to receive shares instead of cash for that dividend and subsequent dividends. Mandate Forms received after that time will apply to subsequent dividends only and the upcoming dividend will be paid in cash. A Mandate Form, once submitted online or completed and returned to the Company's Registrar, will remain in force for all future dividends, where a scrip dividend alternative is offered, until such Mandate Form is cancelled by the shareholder via their Shareview portfolio or in writing to the Company's Registrar.

Shareholders who hold their shares in CREST can only elect to receive dividends in the form of new Ordinary Shares by use of the CREST Dividend Election Input Message. By doing so, such CREST shareholders confirm their election to participate in the Scheme and their acceptance of these terms and conditions, as amended from time to time. Other forms of election, including paper forms of election, will not be accepted in respect of shares held through CREST. The Dividend Election Input Message must contain the number of shares in relation to which the election is being made.

If the number of elected shares is blank or zero then the election will be rejected. If the number of elected shares is greater than the shares held at the relevant record date then the election will be applied to the holding as at the relevant record date. Once an election is made using the CREST Dividend Election Input Message system it cannot be amended. Therefore, if a CREST shareholder wished to change their election, such shareholder would need to cancel their previous election and submit a new election. CREST shareholders must elect for each dividend to receive new shares in respect of such dividend.

CREST elections must be made through CREST, before 5pm (London time) on the Scrip Election Date.

### 3. Number of new shares

The number of new shares that shareholders will receive for each dividend will depend on the amount of the cash dividend, any residual cash balance brought forward from the last scrip dividend, the number of shares held and the reference share price to be used in calculating shareholders' entitlements.

The reference share price will be the average of the middle market quotations for the Company's Ordinary Shares on the London Stock Exchange Daily Official List for the five dealing days commencing on (and including) the date on which the Ordinary Shares are first quoted ex-dividend ('Scrip Reference Price').

The formula used for calculating the maximum number of shares to be received for each dividend will be as follows:

$$(\text{number of Ordinary Shares held at the dividend record date} \times \text{cash dividend per share (+ any residual cash balance)}) / \text{Scrip Reference Price}$$

For example:

- i) If a shareholder held 1,000 shares and the dividend was 21.3 pence per share and the average share price for the five dealing days after the ex-dividend date was 710 pence, then such shareholder would receive 30 additional shares under the Scheme.
- ii) If a shareholder held 500 shares and the dividend was 23 pence per share and the average share price for the five dealing days after the ex-dividend date was 610 pence, then such shareholder would receive 18 additional shares under the Scheme.

The record date, ex-dividend date and Scrip Reference Price in respect of any future scrip dividends will be announced and made available on the Company's website at [www.nationalgrid.com](http://www.nationalgrid.com).

Once shareholders' new shares have been issued, a statement will be sent to such shareholders, along with a new share certificate (where relevant), showing the number of new Ordinary Shares allotted, the Scrip Reference Price, and the total cash equivalent of the new Ordinary Shares for tax purposes. If on any occasion the cash dividend entitlement, together with any cash balance brought forward, is insufficient to acquire at least one new share, shareholders will receive a statement explaining that no shares have been issued and showing how much cash has been carried forward to the next dividend.

CREST shareholders will have their accounts credited directly with new shares on the dividend payment date or as soon as practicable thereafter and will receive a statement as above. CSN shareholders will have their CSN accounts credited directly with new shares on the dividend payment date or as soon as practicable thereafter and will receive a statement as above.

### 4. Fractions and cash balances

No fraction of a new share will be issued and calculation of entitlement to new shares will always be rounded down to the nearest whole new share. Any residual cash balance (except in the case of CREST shareholders where such sums will be paid out on the dividend payment date) will be carried forward to be included in the calculation for the next dividend. No interest will be paid on this cash balance. If a shareholder holds their shares within the CSN, their cash balance will be treated as Client Money under the Financial Conduct Authority rules.

### 5. Future dividends

Once a certificated or CSN shareholder has completed and returned a valid Mandate Form, this will apply for all successive dividends unless and until it is revoked via the share portal or in writing by the shareholder to the Company's Registrar. Shareholders holding their shares in CREST must elect for each dividend. The mandate is always subject to the Directors' decision to offer a scrip dividend. The Directors may decide not to offer a scrip alternative in respect of any future dividend. Please see paragraphs 13 and 14 below for further details.

All new Ordinary Shares issued under the Scheme will automatically increase shareholders' shareholdings on which the next entitlement to a scrip dividend will be calculated (unless an election has been made

on part of a shareholding only in respect of nominee shareholdings). Where any dividend payable to a shareholder is insufficient to purchase at least one new share via the Scheme, funds representing shareholders' fractional entitlements will be accumulated for their benefit. These funds will be added to the cash amount of the next dividend (in respect of which a scrip dividend alternative is offered) and applied in calculating shareholders' entitlement under that offer. In the case of CREST shareholders, fractional entitlements will be paid out on the dividend payment date.

Accumulated fractional entitlements will be paid to certificated and CSN shareholders in cash as soon as reasonably practicable in the event of cancellation of mandates by such shareholders or disposals of such shareholders' entire shareholdings, or in the event of cancellation or termination of the Scheme. In the event of death, insolvency or mental incapacity of a shareholder, any cash balance for that shareholder will be paid to his/her estate or trustee as applicable. Where a certificated shareholder cancels their mandate or sells their shares, amounts less than £3 standing to their benefit in such account will, unless instructed otherwise in writing in advance by the shareholder, be paid to a charity of the Company's choice.

## 6. Listing and ranking of the new shares

Application will be made to the London Stock Exchange and the UK Listing Authority ('UKLA') for admission of the new shares to trading and to the official list of the UKLA. The new shares will be credited as fully paid and will rank equally in all respects with the existing Ordinary Shares, including the same voting rights and dividend rights (other than, for the avoidance of doubt, the right to receive the relevant cash dividend in lieu of which the scrip shares have been issued). In the unlikely event that the new shares are not admitted to listing, or if any other condition is not fulfilled, the Company will pay the dividend in cash in the usual way as soon as reasonably practicable.

## 7. Share certificates and dealings

Subject to the new shares being admitted to the official list of the UKLA and to trading on the London Stock Exchange, new share certificates for participants in the Scheme will be posted to certificated shareholders at their own risk, on or about the same date as the dividend cheques are posted to those shareholders who are not participating in the Scheme (see the National Grid website, [www.nationalgrid.com](http://www.nationalgrid.com), for current dates). CREST shareholders will have their CREST accounts credited directly with the new shares on or as soon as is reasonably practicable after the same day that the cash dividend is paid. CSN participants will have their CSN accounts credited directly with the new shares on, or as soon as is practicable after, the same day that the cash dividend is paid. Dealings in the new Ordinary Shares are expected to begin on the dividend payment date.

## 8. Multiple holdings

If for any reason a shareholder's shares are registered in more than one holding then, unless such multiple shareholdings are consolidated before the Scrip Election Date, they will be treated as separate. As a result, separate mandates will need to be completed for each such holding if shareholders wish to receive new shares under the Scheme in respect of each holding. Shareholders wishing to consolidate their holdings should contact the Company's Registrar, Equiniti Limited.

## 9. Shareholdings in joint names

In respect of shareholdings held in joint names, to be effective, elections made using the Scrip Dividend Mandate Form must be signed by all joint shareholders.

## 10. Partial elections

Mandates will only be accepted in relation to the whole shareholding. The Directors may, at their discretion, allow a shareholder to elect in respect of a lesser number of shares where they are acting on behalf of more than one beneficial holder, that is, through a nominee shareholding held in CREST. The Dividend Election Input Message submitted to CREST must contain the number of shares for which the election is being made. Such elections must be renewed for each dividend. A cash dividend will be paid on any remaining shares not included in the Dividend Election Input Message.

## 11. Overseas shareholders

Shareholders who are resident outside the UK may treat this document as an invitation to receive new Ordinary Shares unless such an invitation could not lawfully be made to such shareholders without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person resident outside the UK wishing to elect to receive new Ordinary Shares under the Scheme to be satisfied that such an election can validly be made without any further obligation on the part of the Company, and to be satisfied as to full observance of the laws of the relevant territory, including obtaining any governmental, regulatory or other consents which may be required and observing any other formalities in such territories and any resale restrictions which may apply to the new shares. Unless this condition is satisfied, such shareholders may not participate in the Scheme or submit a Mandate Form.

## 12. Recent sale or purchase of Ordinary Shares

If shareholders have sold some of their Ordinary Shares before a record date, the Scheme will apply in respect of the remainder of such shareholders' shares. If shareholders have bought any additional Ordinary Shares after a record date, the additional shares will not be eligible for the next dividend, but will be eligible for future dividends, without the need to complete a further mandate in respect of the additional shares (unless the shares are held in CREST, in which case a new election must be made).

## 13. Cancellation of Mandates

Shareholders may cancel their Scrip Dividend Mandates at any time. Notice of cancellation must be effected online via their Shareview portfolio or given in writing to the Company's Registrar by no later than 5pm (London time) on the Scrip Election Date. CREST shareholders can only cancel their elections through the CREST system. A notice of cancellation will take effect on its receipt and be processed by the Company's Registrar in respect of all dividends payable after the date of receipt of such notice. If a notice of cancellation is received after 5pm (London time) on the Scrip Election Date, the shareholder will receive additional shares under the Scheme for the next dividend payable and the cancellation will take effect for subsequent dividends.

A shareholder's Scrip Dividend Mandate will be deemed to be cancelled if such shareholder sells or otherwise transfers their Ordinary Shares to another person but only with effect from the registration of the relevant transfer.

If shares are held in certificated form or within the CSN and a shareholder sells or transfers their entire shareholding before the Scrip Election Date for a particular dividend, the shareholder will be withdrawn from the Scheme for that dividend. A shareholder's mandate will also terminate immediately on receipt of notice of such shareholder's death. However, if a joint shareholder dies, the mandate will continue in favour of the surviving joint shareholder(s) (unless and until cancelled by the surviving joint shareholder(s)). If a shareholder holds their shares in certificated form any residual amounts of over £3 standing to the credit of a shareholder will be paid to such shareholder in cash on or as soon as practicable after the cancellation. Where such residual amount is under £3, such sums will, unless the shareholder instructs otherwise in writing in advance, be paid to a charity of the Company's choice. If shares are held within the CSN, any residual amounts standing to the credit of a shareholder will be paid to the relevant shareholder in cash on or as soon as practicable after the cancellation.

## 14. Changes to or cancellation of the Scheme

At any time, the Directors, at their discretion and without notice to shareholders individually, may modify, suspend, terminate or cancel the Scheme. In the case of any modification, existing mandates (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until the Company's Registrar receives a cancellation in writing or via their Shareview portfolio from such shareholders pursuant to paragraph 13 above. If the Scheme is terminated or cancelled by the Directors, all mandates then in force will be deemed to have been cancelled as at the date of such termination or cancellation.

# Annex 1 continued

## Scrip Dividend Scheme – Terms and Conditions continued

The operation of the Scheme is always subject to the Directors' decision to make an offer of new fully paid Ordinary Shares in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of new Ordinary Shares under the Scheme. If the Directors revoke an offer (or otherwise suspend, terminate or cancel the Scheme), shareholders will receive their dividend in cash on or as soon as reasonably practicable after the dividend payment date.

### 15. Governing law and jurisdiction

The Scheme (including the Mandate Form and any related circular) is subject to the Company's Articles and these terms and conditions, as amended from time to time, and is governed by, and its terms and conditions are to be construed in accordance with, English law. By electing to receive new shares under the Scheme, shareholders agree to submit to the exclusive jurisdiction of the English courts in relation to the Scheme.

### 16. Taxation

The tax consequences of electing to receive new Ordinary Shares in place of a cash dividend will depend on shareholders' individual circumstances. If shareholders are not sure how they will be affected from a tax perspective, they should consult their solicitor, accountant or other professional advisor before taking any action. The Company understands that the taxation consequences for shareholders electing to receive new Ordinary Shares instead of a cash dividend will, broadly, be as follows. This understanding is based on: (i) UK legislation as applied in England and Wales; and (ii) HM Revenue & Customs published practice (which may not be binding on HM Revenue & Customs) both as at 15 May 2019. It should be noted that the UK legislation and HM Revenue & Customs published practice referred to above are both subject to change, possibly with retrospective effect. This summary relates only to the position of shareholders resident and, if individuals, domiciled only in the UK for taxation purposes and to whom "split year" treatment does not apply who hold their shares beneficially as an investment, other than under an individual savings account and who have not (and are not deemed to have) acquired their shares by reason of any office or employment.

The precise taxation consequences for a particular shareholder will depend on that shareholder's individual circumstances. Shareholders who may be subject to taxation in a jurisdiction other than the UK or who are unsure as to their taxation position should seek their own professional advice. This summary of the taxation treatment is not exhaustive. If shareholders are in any doubt as to their tax position, they should consult their solicitor, accountant or other professional advisor before taking any action.

#### 16.1 UK resident individual shareholders

##### Income Tax

Very broadly, a UK resident individual shareholder who receives new Ordinary Shares pursuant to the Scheme will have the same liability to income tax as they would have had had they received a cash dividend of an amount equal to the 'cash equivalent of the new Ordinary Shares'. The cash equivalent of the new Ordinary Shares will be the amount of the cash dividend which the shareholder would have received had they not elected to take new shares, unless the market value of the new shares on the first day of dealings on the London Stock Exchange differs substantially from the cash dividend foregone (i.e. differs by 15% or more of such market value), in which case the market value will be treated as the cash equivalent of the new Ordinary Shares for taxation purposes.

Where individual shareholders elect to receive new Ordinary Shares in place of a cash dividend, they will be treated for UK income tax purposes as having received gross income of an amount which is equal to the cash equivalent of the new Ordinary Shares. This amount will broadly be treated as if it were a dividend for UK tax purposes and taxed as set out below.

The amount of tax that a UK resident individual shareholder who has elected to receive new Ordinary Shares pursuant to the Scheme is liable for will depend on the total amount of dividend income that individual receives in the tax year. Such individuals who receive dividend income of £2,000 or less in the tax year will be taxed at a nil rate on this dividend income (including the 'cash equivalent of the new Ordinary Shares' issued pursuant to the Scheme). For the purposes of calculating dividend income, UK resident individuals should include all income received on dividends from any company in the tax year including any 'cash equivalent of the new Ordinary Shares' received pursuant to dividend schemes, including but not limited to the Scheme. The £2,000 limit is referred to as an individual's Dividend Allowance.

Conversely, UK resident individual shareholders who receive dividend income in the tax year which exceeds the Dividend Allowance will be liable for income tax on the dividend income in excess of the Dividend Allowance (such excess being referred to as the "Taxable Excess"). For example, if an individual receives a dividend income of £4,000 in the tax year, £2,000 of that amount is taxable as the dividend income in excess of the Dividend Allowance. The relevant tax rate band is determined by reference to the shareholder's total income charged to income tax (including the dividend income charged at the nil rate by virtue of the Dividend Allowance) less relevant reliefs and allowances (including the shareholder's personal allowance). The Taxable Excess is, in effect, treated as the top slice of any resulting taxable income and:

- i) to the extent that the dividend income in excess of the Dividend Allowance falls below the basic rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend basic rate of 7.5%;
- ii) to the extent that the dividend income in excess of the Dividend Allowance falls above the basic rate limit but below the higher rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend upper rate of 32.5%; and
- iii) to the extent that the dividend income in excess of the Dividend Allowance falls above the higher rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1%.

No tax repayment claim may be made on either a cash dividend or in respect of new shares taken by non-taxpaying individuals.

##### Capital Gains Tax

For capital gains tax purposes, if an election to receive new shares instead of a cash dividend is made, then the cash equivalent of the new Ordinary Shares (as described above) will be treated as being the base cost of the new shares.

#### 16.2 UK resident trustees

##### Income Tax

Where trustees of discretionary trusts elect to receive new Ordinary Shares, they will be liable to income tax at the dividend trust rate (currently 38.1%). For the purposes of charging this income tax, the trustees will be treated as having received gross income which is the same as the cash equivalent of the new Ordinary Shares (as defined above).

Where trustees of an interest in possession trust (where a UK resident beneficiary with an interest in possession is entitled to the trust income) elect to receive new Ordinary Shares and treat such new shares as income in accordance with HM Revenue & Customs' stated view, the beneficiary will be liable to income tax at their relevant dividend rate as set out in the section headed 'UK resident individual shareholders', above.

Special rules apply in relation to trusts in which the settlor is treated as having an interest, which may affect the position set out above.



If the new Ordinary Shares received as a scrip dividend are held in a bare trust or in the name of a nominee, the trustee(s) or nominee(s) will be disregarded for the purposes of income tax and the tax position of a UK resident beneficiary entitled to the new Ordinary Shares will be as set out in the section headed 'UK resident individual shareholders' above.

#### Capital Gains Tax

Where trustees of discretionary trusts (where no beneficiary is entitled to the trust income) elect to receive new Ordinary Shares, such new shares will constitute a new holding of shares in the Company acquired by the trustees for the cash equivalent of the new shares in the manner described in the section headed 'UK resident individual shareholders' above.

Where trustees of an interest in possession trust (where the beneficiary with an interest in possession is entitled to the trust income) elect to receive new shares and treat such shares as income, in accordance with HM Revenue & Customs' stated view, a UK resident beneficiary entitled to the trust income is treated for capital gains tax purposes as having acquired the new shares for the cash equivalent of the new Ordinary Shares, in the manner described in the section headed 'UK resident individual shareholders' above.

If the new Ordinary Shares received as a scrip dividend are held in a bare trust or in the name of a nominee, the trustee(s) or nominee(s) will be disregarded for the purposes of capital gains tax and the tax position of a UK resident beneficiary entitled to the new Ordinary Shares will be as described in the section headed 'UK resident individual shareholders' above.

#### 16.3 UK resident companies

A UK resident corporate shareholder is not generally liable to corporation tax on cash dividends and will not be charged corporation tax on new shares received under the Scheme instead of a cash dividend. For the purposes of corporation tax on chargeable gains, no consideration will be treated as having been given for the new shares. These new shares will be added to the corporate shareholder's existing holding of shares in the Company and treated as having been acquired when the existing holding was acquired. On disposal of the new shares, the base cost of the new shares will be calculated by reference to the base cost of the existing holding.

#### 16.4 UK pension funds

Where pension funds elect to receive new Ordinary Shares under the Scheme, no tax credit will attach to the new shares and no tax repayment claim can be made in respect of them, nor could such a claim be made in respect of the cash dividend.

#### 16.5 Stamp duty/stamp duty reserve tax

No stamp duty or stamp duty reserve tax will be payable on the issue of new shares under the Scheme (including shares issued to a clearance service or depositary receipt system (i.e. CREST)).

#### Contacts

For general enquiries about the Scheme, please contact Equiniti Limited.

Shareholders who hold their shares in certificated form or in CREST can contact Equiniti Limited on:

**0800 169 7775** from the UK or **+44 121 415 0931** if calling from overseas.

Shareholders who hold their shares within the CSN can contact Equiniti Limited on:

**0333 207 6515** or **+44 121 415 0997** if calling from overseas.

Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

Or shareholders can write to Equiniti Limited at: Equiniti, Aspect House, Spencer Road, West Sussex, BN99 6DA, United Kingdom.

#### Glossary

**Articles** the Articles of Association of the Company

**The Company's Registrar** is Equiniti Limited

**Corporate Sponsored Nominee** or **CSN** is the National Grid Corporate Sponsored Nominee Service provided by Equiniti Financial Services Limited

**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 Limited** and **Equiniti Financial Services Limited** are part of the Equiniti Group. Their registered offices are Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom. Company share registration, employee scheme and pension administration services are provided through Equiniti Limited, which is registered in England & Wales with No. 6226088. Investment and general insurance services are provided through Equiniti Financial Services Limited, which is registered in England & Wales with No. 6208699 and is authorised and regulated by the UK Financial Conduct Authority no. 468631

**London Stock Exchange** the London Stock Exchange plc

**National Grid** or **Company** National Grid plc

**new shares** new Ordinary Shares issued under the Scheme

**Ordinary Shares** Ordinary Shares of 12 <sup>204/473</sup> pence each in the capital of the Company

**Scrip Dividend Mandate** or **Mandate Form** a mandate (in a form provided by the Company) from a shareholder to the Directors to allot new shares under the terms of the Scheme in lieu of a cash dividend to which they may become entitled from time to time

**Scrip Dividend Scheme** or **Scheme** the National Grid plc Scrip Dividend Scheme as comprised under and subject to the terms and conditions contained in this document as amended from time to time

**Scrip Election Date** the latest date for receipt of Mandate Forms or CREST Dividend Election Input Messages to enable a scrip dividend election to apply for a particular dividend

**Scrip Reference Price** the average of the middle market quotations for the Company's Ordinary Shares on the London Stock Exchange Daily Official List for the five dealing days commencing on (and including) the date on which the Ordinary Shares are first quoted ex-dividend

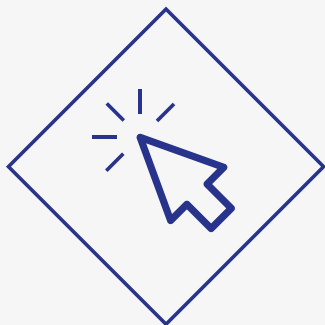
**Shareholder** a holder of Ordinary Shares in the capital of the Company

**Shareview portfolio** means the online portfolio service provided by the Equiniti Group where a shareholder can find details regarding their holding. Further information can be found at: [www.shareview.co.uk](http://www.shareview.co.uk)

**UKLA** the UK Listing Authority

# Shareview portfolio

Manage your shareholding  
wherever and whenever



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

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

You will be sent a PIN number to complete registration. Please register at [www.shareview.co.uk](http://www.shareview.co.uk).

## Your dividend options

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

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

### Receive your dividends as additional shares

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

### Local currency dividend payments

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



For more information about your dividend options or for terms and conditions of any of the services offered, please contact Equiniti or, if you are attending the AGM, please speak to a representative from Equiniti.

## Want more information or help?

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

Alternatively all these documents (except the Proxy Card) are available at [www.nationalgrid.com](http://www.nationalgrid.com).



### Equiniti

0800 169 7775

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



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



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