

## Notice of 2016 Annual General Meeting

---

**The 2016 Annual General Meeting of National Grid plc (the 'Company') will be held at 11.30am on Monday 25 July 2016 at The ICC, Broad Street, 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 19, 20 and 21 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 2016, the Directors' Reports and the Auditors' Report on the accounts.
2. To declare a final dividend of 28.34 pence per ordinary share (US\$2.0445 per American Depositary Share (ADS)) for the year ended 31 March 2016.
3. To re-elect Sir Peter Gershon as a Director.
4. To re-elect John Pettigrew as a Director.
5. To re-elect Andrew Bonfield as a Director.
6. To re-elect Dean Seavers as a Director.
7. To elect Nicola Shaw as a Director.
8. To re-elect Nora Mead Brownell as a Director.
9. To re-elect Jonathan Dawson as a Director.
10. To re-elect Therese Esperdy as a Director.
11. To re-elect Paul Golby as a Director.
12. To re-elect Ruth Kelly as a Director.
13. To re-elect Mark Williamson as a Director.
14. To reappoint PricewaterhouseCoopers LLP as the Company's auditors until the conclusion of the next general meeting at which accounts are laid before the Company.
15. To authorise the Directors to set the auditors' remuneration.
16. To approve the Directors' Remuneration Report (excluding the excerpts from the Directors' remuneration policy set out within the Directors' Remuneration Report) set out on pages 68 to 70 and 75 to 81 of the Annual Report.
17. 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 at the earlier of the close of the next AGM and 25 October 2017.

Words and expressions defined for the purpose of the 2006 Act shall have the same meaning in this resolution.
18. 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 £142,321,321.
 

This authority shall expire at the earlier of the close of the next AGM and 25 October 2017 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.
19. Subject to the passing of resolution 18 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 power 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 £42,696,396.

This authority shall expire at the earlier of the close of the next AGM and 25 October 2017 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 after such expiry and the Directors may allot equity securities in accordance with such offer or agreement as if the authority conferred had not expired.

- 20.** 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 374,682,662 being 10% of the Company's issued share capital (excluding treasury shares) as at 18 May 2016;
  - (ii) the minimum price per share that may be paid for any such shares is 11<sup>7</sup>/<sub>43</sub> 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 market value for an ordinary share, as derived from the London Stock Exchange Official List, for the five business days 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 derived from the London Stock Exchange Trading System.

This authority shall expire at the earlier of the close of the next AGM and 25 October 2017 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 shares in accordance with such contract as if the authority conferred had not expired.

- 21.** To authorise the Directors to call a general meeting of the Company, other than an AGM, on not less than 14 working days' notice.

The Directors believe the proposals set out in resolutions 1 to 21 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  
18 May 2016  
National Grid plc

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

## Explanation of resolutions

Resolutions 19, 20 and 21 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 Capita Asset Services, see the back page for contact details.

### Resolution 2:

#### To declare a final dividend

The Company requires shareholder consent to pay a final dividend. The dividend cannot exceed the amount recommended by the Directors. If approved, the final dividend of 28.34 pence per ordinary share (US\$2.0445 per ADS) will be paid on 10 August 2016 to shareholders on the register at the close of business on 3 June 2016. The dividend is to be paid in respect of each ordinary share other than those 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 3–13:

#### 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 Nicola Shaw on 1 July 2016, Nicola will seek election at this AGM. Additionally, in accordance with the UK Corporate Governance Code 2014 (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 reviews the commitment and effectiveness of each Director.

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 to 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 the independent character and judgement of the Non-executive Directors and varied and relevant experience of all the Directors combine to provide an appropriate balance of skills and knowledge which is of great benefit to the Company and, therefore, the Board recommends the re-election of all Directors.

Key	
<b>A</b>	<b>Audit Committee</b>
<b>F</b>	<b>Finance Committee</b>
<b>N</b>	<b>Nominations Committee</b>
<b>R</b>	<b>Remuneration Committee</b>
<b>S</b>	<b>Safety, Environment and Health Committee</b>
<b>(ch)</b>	<b>chairman of Committee</b>

### Resolution 3:

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

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

**Committee membership:** N (ch)

**Career:** Sir Peter is a Fellow of the Royal Academy of Engineering and has held a number of senior positions across multiple industries. His previous appointments include Chief Executive of the Office of Government Commerce, Managing Director of Marconi Electronic Systems and a member of the UK Defence Academy Advisory Board. Sir Peter is currently Chairman of Tate & Lyle plc and a Non-executive Chairman of the Aircraft Carrier Alliance Management Board and most recently a Trustee of The Sutton Trust Board.

### Resolution 4:

#### To re-elect John Pettigrew FEI, FIET, Chief Executive

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

**Committee membership:** F

**Career:** A Fellow of the Energy Institute and of the Institution of Energy and Technology, John joined the Company in 1991 and has over 25 years of experience at National Grid in a variety of senior management roles. John's previous appointments include Director of Engineering from 2003; Chief Operating Officer and Executive Vice President for the US Electricity Distribution & Generation business between 2007 and 2010; Chief Operating Officer for UK Gas Distribution between 2010 and 2012; and UK Chief Operating Officer from 2012 to 2014. John was appointed to the role of Chief Executive on 1 April 2016.

### Resolution 5:

#### To re-elect Andrew Bonfield, Finance Director

**Appointed:** 1 November 2010

**Committee membership:** F, S

**Career:** Andrew is a chartered accountant with significant financial experience having previously been Chief Financial Officer at Cadbury plc until March 2010; he also spent five years as Executive Vice President & Chief Financial Officer of Bristol-Myers Squibb Company. As well as this, Andrew also has previous experience in the energy sector as Finance Director of BG Group plc and is currently a Non-executive Director of Kingfisher plc.

**Resolution 6:****To re-elect Dean Seavers, Executive Director, US****Appointed:** 1 April 2015

**Career:** Dean began his career at the Ford Motor Company, and held various senior management positions at Tyco International Ltd. before joining General Electric Company/United Technologies Corporation. He was President and Chief Executive Officer of General Electric Security and then President, Global Services of United Technologies Fire & Security. Dean was also a member of the Board of Directors of the National Fire Protection Association from 2010 to 2014 and most recently a lead network member at City Light Capital from 2011 to 2015 and President and Chief Executive at Red Hawk Fire & Security, LLC from 2012 to 2014. Dean is currently a Board member of Red Hawk Fire & Security, LLC.

**Resolution 7:****To elect Nicola Shaw CBE, Executive Director, UK****Appointed:** 1 July 2016

**Career:** Previously Nicola was CEO at HS1 plc from 2011 to 2016 and at FirstGroup plc between 2005 and 2010. At FirstGroup she led the European bus division and was an Executive Director of the Board. She was also an Independent Non-executive Director of Aer Lingus Group plc until September 2015 when the business was sold to IAG. Nicola's career, both in the UK and overseas, has included roles at the Strategic Rail Authority, Office of the Rail Regulator, Bechtel Ltd, Halcrow Fox, the World Bank and London Transport. She is currently a Director of Ellevio AB, a Swedish electricity distribution company.

**Resolution 8:****To re-elect Nora Mead Brownell, Non-executive Director****Appointed:** 1 June 2012**Committee membership:** N, R, S

**Career:** A key individual in the US energy industry, Nora has significant experience gained in a variety of roles including Commissioner of the Pennsylvania Public Utility Commission and the Federal Energy Regulatory Commission (FERC) and former President of the National Association of Regulatory Utility Commissioners. Most recently, Nora sat on the Boards of ONCOR Electric Delivery Holding Company, LLC and Comverge, Inc. Nora is currently a member of the Board of Spectra Energy Partners LP, Direct Energy Advisory Board and the Advisory Board of Morgan Stanley Infrastructure Partners as well as a partner in ESPY Energy Solutions, LLC.

**Resolution 9:****To re-elect Jonathan Dawson, Non-executive Director****Appointed:** 4 March 2013**Committee membership:** F, N, R (ch)

**Career:** Jonathan started his career in the Ministry of Defence before moving to Lazard where he spent more than 20 years. He was a Non-executive Director of Galliford Try plc, National Australia Group Europe Limited and Standard Life Investments (Holdings) Limited. Most recently he was Chairman of the Remuneration Committee, Non-executive and Senior Independent Director of Next plc until May 2015. Jonathan is currently a Non-executive Director of Jardine Lloyd Thompson Group plc and Chairman and a founding partner of Penfida Limited.

**Resolution 10:****To re-elect Therese Esperdy, Non-executive Director****Appointed:** 18 March 2014, and appointed to the Board of National Grid USA with effect from 1 May 2015**Committee membership:** A, F (ch), N

**Career:** Having started her banking career at Lehman Brothers, Therese joined Chase Securities in 1997 and then held a variety of senior roles at JP Morgan Chase & Co. These included appointments as Head of US Debt Capital Markets and Global Head of Debt Capital Markets, co-head of Banking, Asia Pacific and Global Chairman of the Financial Institutions Group.

**Resolution 11:****To re-elect Paul Golby CBE FREng, Non-executive Director****Appointed:** 1 February 2012**Committee membership:** A, N, R, S (ch)

**Career:** A fellow of the Royal Academy of Engineering, Paul has held a variety of roles within the energy and utilities industries. Paul was an Executive Director of Clayhithe plc, before later joining E.ON UK plc where he was Chief Executive and later Chairman. He was also a Non-executive Chairman of AEA Technology Group plc. Paul is currently the Chairman of EngineeringUK, the UK National Air Traffic System, the Engineering and Physical Sciences Research Council and a member of the Council for Science and Technology. Most recently, Paul was appointed as Chairman of Costain Group plc on 5 May 2016.

**Resolution 12:****To re-elect Ruth Kelly, Non-executive Director****Appointed:** 1 October 2011**Committee membership:** A, F, N

**Career:** Ruth began her career in Government where she held various senior roles, including Secretary of State for Transport, for Communities and Local Government, for Education and Skills as well as Financial Secretary to the Treasury. She was also a senior executive at HSBC until August 2015. Ruth is currently appointed as Governor for the National Institute of Economic and Social Research and Pro Vice Chancellor at St Mary's University; she has also been a Non-executive Director on the Financial Conduct Authority Board since April 2016.

**Resolution 13:****To re-elect Mark Williamson, Non-executive Director and Senior Independent Director****Appointed:** 3 September 2012**Committee membership:** A (ch), N, R

**Career:** A qualified accountant with significant financial experience, Mark was Chief Accountant and then Group Financial Controller of Simon Group plc before joining International Power plc as Group Financial Controller and later as Chief Financial Officer. Mark was a Non-executive Director at Alent plc where he was Chairman of the Audit Committee and Senior Independent Director. Mark is currently the Chairman of Imperial Brands PLC.

## Explanation of resolutions continued

### Resolutions 14 and 15:

#### Auditors' reappointment and remuneration

The Audit Committee keeps under review the independence and objectivity of the external auditors and reviews fees paid to them, further information on which can be found in the Corporate Governance section of the Annual Report. The Audit Committee has recommended to the Board the reappointment of PricewaterhouseCoopers LLP.

#### Resolution 14:

#### To reappoint the auditors PricewaterhouseCoopers LLP

It is a requirement that the Company's auditors must be reappointed at each general meeting at which accounts are laid, which will normally be at each AGM. This resolution proposes the auditors' reappointment.

As previously announced on 11 November 2015, following a competitive tender process for its statutory audit contract, the Company intends to appoint Deloitte LLP as its auditor for the year ending 31 March 2018. PricewaterhouseCoopers LLP, the Company's current auditors, will continue in their role and will undertake the Company's statutory audit for the year ending 31 March 2017, subject to reappointment by shareholders at this year's AGM. The appointment of Deloitte LLP will be recommended to shareholders for consideration at the 2017 AGM.

#### Resolution 15:

#### 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 which came into force from 1 January 2015.

#### Resolution 16:

#### Directors' Remuneration Report

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

The Company is required to ask shareholders to approve the remuneration policy section of the Directors' Remuneration Report at least every three years, or if changes have been made to the policy. The remuneration policy was approved by shareholders at the 2014 AGM, and as no changes are proposed to the policy this year, the remuneration policy is not being presented for approval this year. However, the Company is required to propose the remainder of the Directors' Remuneration Report as an advisory resolution each year.

This means that, should shareholders vote against the Directors' Remuneration Report, the Directors can still be paid but the Remuneration Committee will reconsider the remuneration policy going forward. The Directors' Remuneration Report (excluding the excerpts from Directors' remuneration policy set out within the Directors' Remuneration Report) is set out on pages 68 to 70 and 75 to 81 of the Annual Report.

### Resolution 17:

#### To authorise Directors to make political donations

In line with other FTSE companies, for the first time this year 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' authority 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 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 conclusion of next year's.

### Resolution 18:

#### To authorise the Directors to allot ordinary shares

The purpose of resolution 18 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 £142,321,321 (representing approximately 1,248,942,207 ordinary shares of 11<sup>17</sup>/<sub>43</sub> pence each), which is equivalent to approximately 33% of the issued share capital of the Company, exclusive of treasury shares, as at 18 May 2016.

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 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. The Company believes these circumstances are unlikely to arise. However, 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 25 October 2017.

As at 18 May 2016, the number of ordinary shares in issue was 3,924,038,086 and the Company held 177,211,465 treasury shares, representing 4.73% of the issued share capital excluding treasury shares.

**Resolutions 19, 20 and 21 are special resolutions and will be passed if at least 75% of the votes cast (not counting votes withheld) are in favour.**

### Resolution 19: 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).

Part (i) of this resolution seeks shareholders' approval to allot a limited number of 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 Board has no current intention of exercising the authority under part (i) of this resolution but considers 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. Part (ii) of this resolution seeks shareholders' approval to undertake such an allotment up to an aggregate nominal value of £42,696,396.

In March 2015, an updated Statement of Principles was published by the Pre-emption Group. The updated Statement of Principles now allows authority to be sought for the allotment of new shares in connection with a non pre-emptive offer or rights issue or otherwise, equivalent to 10% of the total issued ordinary share capital of the Company (excluding treasury shares) 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).

The Directors intend to continue to adhere to the provisions of the Pre-emption Group's Statement of Principles, as updated in March 2015, not to allot shares on a non pre-emptive basis (other than pursuant to a pre-emptive offer) (a) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company (excluding treasury shares), or (b) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company over a rolling three year period, without prior consultation with shareholders, in each case other than 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. Accordingly, the resolution seeks approval for the allotment of new issues of up to 374,682,662 new ordinary shares for cash, representing 10% of the issued share capital (excluding treasury shares) as at 18 May 2016.

This limit also applies to shares issued from treasury. A renewal of this authority is intended to be proposed at each subsequent AGM.

### Resolution 20: 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 18, 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 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 schemes.

During the year ended 31 March 2016 the Company purchased 31,690,010 ordinary shares in the capital of the Company, representing approximately 1% of the called up share capital of the Company as at 31 March 2016 (excluding treasury shares) at a total cost of £267,109,568. This resolution complies with investor guidelines, which limit share purchases to 10% of the issued share capital (excluding treasury shares) per annum.

As at 18 May 2016, options were outstanding over 27,365,884 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).

## Notes

### Resolution 21:

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

The UK Corporate Governance Code, requires companies to call general meetings, other than AGMs, on a minimum of 14 working days' notice. Statutory provisions and the Articles allow the Directors to call general meetings of the Company, other than AGMs, on a minimum of 14 clear days' notice. The Directors believe it is appropriate, and in the interest of shareholders, to comply with the Code's provision on notice periods by increasing the notice period beyond the statutory minimum in such circumstances to 14 working days. 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 again this year to be able to call general meetings on not less than 14 working 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 such notice.

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 23 July 2016 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 23 July 2016 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 18 May 2016 (being the latest practicable date before publication of this Notice of AGM), there were 3,924,038,086 ordinary shares in issue, carrying one vote each, and 177,211,465 shares in treasury. Shares held in treasury do not have voting rights. Therefore, the total number of voting rights exercisable as at 18 May 2016 is 3,746,826,621.
3. 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. 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.nationalgridshareholders.com](http://www.nationalgridshareholders.com).
6. To be valid, Proxy Cards must be received by no later than 11.30am on Saturday 23 July 2016, using the pre-paid envelope provided or delivered by post or (during normal business hours) by hand to: Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively, shareholders can complete the proxy form online at [www.nationalgridshareholders.com](http://www.nationalgridshareholders.com) by no later than 11.30am on Saturday 23 July 2016. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting in person.
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 [www2.nationalgrid.com/about-us/corporate-governance/](http://www2.nationalgrid.com/about-us/corporate-governance/).

8. If this Notice 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 RA10) by 8pm on Friday 22 July 2016. 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 10 June 2016, 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, Broad Street, 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.

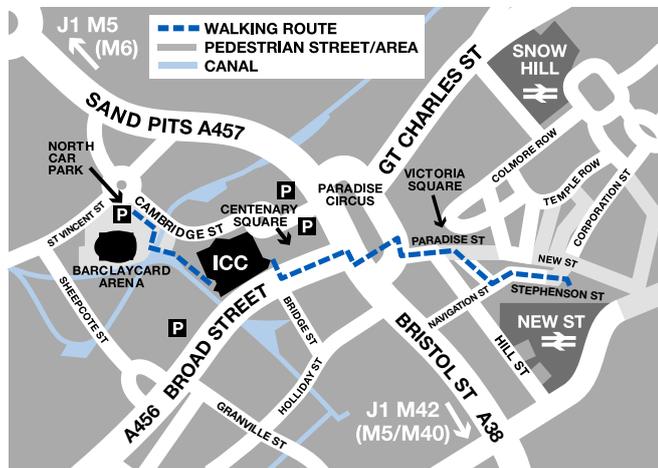
# Shareholder Information

## The AGM

The AGM will take place at 11.30am on Monday 25 July 2016 at The ICC, Broad Street, Birmingham B1 2EA (see map below). Registration for the AGM will open at 10am.

## 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.walkit.com](http://www.walkit.com). Limited free car parking will be available adjacent to the venue (Barclaycard Arena North Car Park) on a 'first come, first served' basis. Car parking for shareholders with special access requirements is also available. Shareholders walking to the AGM from Birmingham New Street Station should leave the station via the New Street/Victoria Square exit.



## If you can attend the meeting

Please bring your notification 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 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.

Capita Asset Services 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

You can follow the meeting by watching our webcast online at [www.nationalgrid.com](http://www.nationalgrid.com).

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.nationalgridshareholders.com](http://www.nationalgridshareholders.com)
- 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:

Capita Asset Services  
PXS  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

- If you are a CREST member you can submit a message via CREST, please see notes 10 and 11 on page 9 for details.

To be valid, Proxy Cards must be received by 11.30am on Saturday 23 July 2016 and CREST Proxy Instructions by 8pm on Friday 22 July 2016.

**Please note that proxy votes can only be submitted via paper Proxy Cards returned to the address stated, electronically via [www.nationalgridshareholders.com](http://www.nationalgridshareholders.com) 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 [www2.nationalgrid.com/about-us/corporate-governance/](http://www2.nationalgrid.com/about-us/corporate-governance/).

## Beware of Share Fraud

Fraudsters use persuasive and high pressure tactics to lure investors into scams. Shareholders are advised to be wary of any unsolicited advice or offers, whether over the telephone, through the post, by email or visits at home. If you receive any such unsolicited contact, please check the company or person contacting you is properly authorised by the Financial Conduct Authority (FCA) before getting involved.

You can check at [www.fca.org.uk/consumers/protect-yourself](http://www.fca.org.uk/consumers/protect-yourself) and can report calls from unauthorised firms to the FCA by calling 0800 111 6768.

## Want more information or help?

Capita Asset Services can help with shareholding queries and can provide you with a copy of the Annual Report, contact details 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 2016

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

**Capita Asset Services** is a trading name of Capita Registrars Limited

**UK Corporate Governance Code** or **Code** the UK Corporate Governance Code issued in September 2014

**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

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

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

**ordinary shares** ordinary shares of 11<sup>17</sup>/<sub>43</sub> pence each in the capital of the Company

**Scrip Dividend Scheme** the National Grid plc Scrip Dividend Scheme subject to the terms and conditions approved by shareholders at the AGM held on 28 July 2014, as amended from time to time

**shareholder** a holder of ordinary shares in the capital of the Company

**share portal** the National Grid share portal, [www.nationalgridshareholders.com](http://www.nationalgridshareholders.com)

# National Grid share portal

## Manage your shareholding wherever and whenever



- Register your AGM vote
- Sign up for electronic communications to receive email communications and electronic dividend confirmations instead of paper
- Have your dividends paid directly to your bank or building society account instead of receiving cheques
- Choose to receive your dividends in shares, via our scrip dividend scheme
- Update your address details

It only takes a few minutes to register, just visit [www.nationalgridshareholders.com](http://www.nationalgridshareholders.com) and have your 11 digit investor code (IVC) to hand.

## Your dividend options

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

- Your dividend reaches your account on the payment date
- 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 Capita Asset Services or, if you are attending the AGM, please speak to a representative from Capita Asset Services.

## Want more information or help?

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

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



### Capita Asset Services

0371 402 3344

Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.30am to 5.30pm, Monday to Friday, excluding public holidays. If calling from outside the UK: +44 (0)371 402 3344. Calls outside the UK will be charged at the applicable international rate.



Visit the National Grid share portal  
[www.nationalgridshareholders.com](http://www.nationalgridshareholders.com)  
Email [nationalgrid@capita.co.uk](mailto:nationalgrid@capita.co.uk)



National Grid Share Register,  
Capita Asset Services,  
The Registry,  
34 Beckenham Road,  
Beckenham,  
Kent BR3 4TU