**National Grid Annual General Meeting Webcast 26 July 2021**

 **Question and Answers**

*The below questions and answers have been taken from the transcript of the webcast*

***Q: What protocols are in place to remove Directors or NEDs where they have been involved in activities in previous executive roles described as an abuse of process and an affront to justice. What compensation, if any, is offered to such removed Directors?***

**A:** Hopefully our search process should highlight any such abuse. However, in the unlikely event that this should arise, the matter would be taken up with the Chair and the Board, which has the authority to require the NED to step down. There would be no compensation beyond outstanding fees paid as NEDs are not eligible for severance.

***Q: The Board is being drawn into the toxic, divisive, trend toward identity politics and quotas. Politics should have no place on the agenda, promotion and appointment should be done solely on merit. This Shareholder also questions the level of political donations made by the Company.***

***This Shareholder seeks the reassurance that the Board has understood these points and will act accordingly in a way that does not favour any persons or groups according to identity.***

**A:** Your point is well understood by the Board, and I can confirm that all appointments and promotions are made on merit, taking into account the skills and experience required to drive the business forward.

In the UK, the Company does not make political donations in accordance with its policy on the matter and the authority in resolution 16 is being sought simply to ensure that none of the Company’s activities inadvertently infringe the rules defined in the Companies Act 2006.

In the US we have made donations of $35,500 in compliance with applicable law in the US.

***Q: The internal Control & Risk Management section of the Annual Report is silent on political risk. One key risk to me is that we are a UK company but with significant business in the US. What is the risk in continuing to own these assets?***

**A:** Political risk is and remains one of our principal risks and is addressed on page 26 of the Annual Report.

We have owned assets in the US for over 20 years and we invest significant time to build relationships at both the State and Federal levels to minimise this risk.

In a broader sense we continue to work with all relevant stakeholders to ensure we understand and respond to shifting societal and political expectations and perceptions.

***Q: We would like to congratulate National Grid on their very comprehensive Responsible Business Report and also on their recent commitment to EV100 which sends an important demand signal not only to the UK, but also to utility peers in the US.***

***The Climate Action 100+ benchmark assessment published earlier this year revealed that National Grid did not meet any of the criteria to indicate that the company's capex outlook supports decarbonisation or alignment with a 1.5 degree Celsius outcome. There are two questions.***

***One- could the Board firstly share the steps that it is taking to align the company's capex with its stated climate ambitions and 1.5 degree more broadly?***

***Two- provide a date by when shareholders can expect an update on progress?***

**A:** I am delighted that you appreciate the huge effort that has gone into preparing the Responsible Business Report. I will ensure your sentiments are passed onto the team.

People would have seen that we've recently set out our five-year plans for our capital plan. We're intending on investing between £30bn and £35bn and that is going to be focused predominately on our regulated networks in the UK and the US. That investment has been supported and is aligned with our regulators.

At the same time the plans that we have in place have been very much supported by our stakeholders as well, who have made it clear to us that as we support the energy transition, they want us to do it efficiently and make sure that it's affordable as well.

With regards to climate change you'll all be aware that we've had targets for net zero for some time and we've recently updated those to reflect the science-based target initiative at less than 2 degrees Celsius. And we are currently doing a little bit of work to see what we need to do with our plans to align to the 1.5 degrees Celsius.

And with regards to the Responsible Business Charter, as you know, we published it this year and what we'll look to do next year is now more align our capital plans with some of the benchmarks, including Climate 100.

***Q: On behalf of the London Authority Pension Fund Forum and Northern Trust. There are three separate questions.***

***One- with the International Energy Agency issuing its Net Zero Pathway, how will you be reflecting this in the development of your strategy and business plan?***

***Two- buying WPD Group, has sent a strong signal about the importance of electrification for the UK’s zero carbon future. What assurances can you give that investments in the Gas business will not bake in stranded assets to the business?***

***Three- given that National Grid will have a pay policy vote in 2022, how can you ensure that remuneration schemes put climate at the heart of incentivising executives?***

**A:** On the IEA, we think that we already have reasonable alignment between our internal planning and the new IEA Pathways, but we will take time to look at it carefully, look at the detail and continue to feed this into our strategic work at the Board.

And yes, we believe that owning WPD, together with our transmission business, will allow us, amongst other things, to be at the heart of the effort to decarbonise heat and provide the infrastructure for electric vehicles, both of which are big components of the transition to a low carbon economy. The combination should also allow us to keep the cost of this huge transition as low as possible for our customers.

On the gas business, this will be needed in the UK for many, many years to come, both in the form of providing back up energy, and, or transitioning to transporting lower carbon fuels such as hydrogen or renewable natural gas. So, we believe it is premature to be considering stranded assets in the gas business at this time.

We're hugely excited about the acquisitions of WPD. It will make National Grid not only the largest transmission company, but the largest distribution company in the UK as well, so it truly does mean that we're at the heart of the energy transition.

When you stand back and think about the practicalities, the engineering, the economics of it, it is quite clear that gas has got an incredibly important role to play in the energy transition. Of course, four times as much energy goes through our gas network as our electric network and therefore it's clear that there is an opportunity to do decarbonisation of gas, but it's going to play a critical role.

Any investments that we make in our gas networks always take into account the energy transition and are always supported by our regulators.

The 2022 remuneration policy review absolutely will certainly address ESG issues in our remuneration arrangements, it's essential. We said at the Investor Day last October when you have a long seminar on ESG issues, both remuneration and more general business issues that we intended to do this in our policy review, and this was confirmed in the Remuneration Committee Chair statement in the Annual Report and Accounts.

As set out in this year’s Remuneration Report we already incorporate a number of ESG elements in the annual bonus arrangements. But we fully recognise what is expected of a company like National Grid regarding ESG and we have made a number of key statements of intent in this regard in our Responsible Business Charter.

***Q: The Government has said that it plans to reform the electricity supply system, radically reducing National Grid’s role. There are three linked questions.***

***One- was National Grid plc given advance notice of its proposals?***

***Two- in the reform proposals Ofgem has pointed out that there is a conflict of interest within National Grid as presently constituted. Does National Grid accept this, and does it have any way of resolving it?***

***Three- how do these reforms affect the wisdom of the acquisition of WPD?***

**A:** Yes, we've been fully involved, in fact we've been working collaboratively with the Government and Ofgem on the future role of the Electricity System Operator for several years.

There is a recognition I think, both from National Grid and from Government and regulators that there is a need for institutional change, as well as regulatory and market reform if we've going to successfully deliver the energy transition. And of course, the Electricity System Operator is part of that.

So, the consultation that was announced last week we welcome and we're really looking forwards to working with Government and Ofgem to define the future system operator and any potential sales process as well.

In terms of conflicts of interest that was referenced in both Ofgem's consultation and BEIS's consultation last week, they talked about the potential, or the perceived conflicts of interest there could be between an Electricity System Operator and an asset owner, of which National Grid of course does both roles. But they are also absolutely clear that there is no evidence whatsoever that National Grid has ever acted on the potential conflict of interest.

In terms of how we've been addressing that, of course, over the last few years we've legally separated out the Electricity System Operator from the rest of National Grid to make sure that those perceptions of conflicts of interest are dealt with appropriately. As we look forwards, as the role of the future system operator is defined, we'll consider with Government and with Ofgem, what is the right separation and ownership model going forwards.

And then finally just on WPD, the institutional arrangements do need to change for an energy transition and actually with National Grid owning WPD we have a real opportunity to find holistic solutions. So actually, the changes that are being proposed are really helpful with the acquisition that we have done recently.

***Q: National Grid has made a large investment in the USA where it is allowed to be a producer rather than - or as well as a transporter of energy. There are three linked questions.***

***One- is this the future for National Grid?***

***Two- why does National Grid want to expand in the US rather than markets nearer to the UK such as Europe?***

***Three- is Brexit a problem or are domestic markets in Europe more tightly controlled against foreign takeovers?***

**A:** National Grid has successfully owned and managed energy infrastructure in the US for more than 20 years. The geographic and regulatory balance that our portfolio brings has enabled National Grid to be one of only a handful of companies to have consistently grown its dividend over that sort of timeframe.

Once we complete our recently announced transactions, at least 40% of our assets will be US regulated assets and about 50% will be regulated assets in the UK. And therefore about 10% of our assets will be in our National Grid Ventures business, where we will continue to grow our non-regulated business that will include low carbon generation assets, such as wind and solar.

Neither Brexit nor control over foreign acquisitions in Europe have contributed to us not expanding in Europe. This has been more a function of lack of opportunities where we can see real value creation for our shareholders.

We are completely comfortable with our geographic footprint. We will therefore maintain this diversity going forward.

***Q: As a distributor rather than a producer of power, how feasible is it to expect National Grid to switch to renewable energy for the majority of the UK’s power needs? What influence does National Grid have and within what time frame would National Grid be able to supply the majority of the UK’s power needs from renewable sources, and, if so what sources?***

**A:** It's probably worth just starting by reflecting on how far the UK market has come. If you go back to 2010 for example, about 40% of the UK's electricity came from coal, last year it was less than 2%. And last year, for the whole year, more than 50% of the electricity produced came from zero carbon sources. So renewable energy like solar and wind as well as the interconnectors, hydro and nuclear. And on the 23rd of May last year we had the greenest day ever in the UK when 80% of all the electricity produced came from zero carbon sources. So actually, we've made a huge move as a country in terms of renewable and zero carbon generation over the last decade.

From National Grid's perspective as the Electricity Systems Operator we have set out an ambition to be able to operate the system from 2025 with all the electricity coming from zero carbon sources. Now we're not saying that's going to happen in 2025, but we want to be ready. And therefore, we're developing all the tools that we need to be in a position to operate the system in that way.

In terms of influence, really our role as National Grid of course is to transport electricity, however it's produced, and fundamentally what we need to do is to be in a position to be able to connect those renewable sources of generation and the team is doing a fantastic job on that.

Strategy is really down to Government, and you would have seen at the turn of the year that the Government announced it's 10 Point Plan. One of the elements of that 10 Point Plan was to connect 40 gigawatts of offshore wind in the North Sea by 2030. Now that's a huge task, but if we make really good progress on that within the next decade we will very much, I expect, be in a position as a country, where for the vast majority of the time electricity is being produced from zero carbon sources.

***Q: Two linked statements.***

***One- I understand that Sir Peter’s retired, or moved on to other things, so give him my very best wishes and I’m so disappointed he’s not here today and the trip to Birmingham.***

***Two- we all agree that the National Health Service, the frontline people, all those who looked after us during the pandemic, but there’s the people behind the scenes that we don’t see that we take for granted, the people who supply the water, the gas etc. If I may, I’d like to ask your permission to ask when appropriate the members here to join with me in expressing our appreciation by a show of clapping of the hands to everybody at the National Grid who we don’t see.***

**A:** First of all, we all miss Sir Peter enormously. As you know there is a restricted amount of time that people can be on Board and that applies to Chairs as well. And Peter actually slightly over ran his nine years because we wanted him to see through the T2 negotiations with Ofgem. So, he was kind enough to do that. But yes, he is now retired.

I'm sorry you're missing your trip to Birmingham, we decided to do the AGM in London to give us maximum flexibility to fly in our US colleagues and particularly Paula at short notice and London was just a little bit easier to organise that if we could. Sadly, we haven't been able to do that. But we'll be rethinking about our AGM commitments next year, it won't necessarily be London again, it might well be Birmingham again.

But thank you for your questions and thank you very much indeed for the sentiment about the hardworking people in National Grid and the other utilities. I think they have done an absolutely fabulous job in very, very difficult circumstances. So very appropriate and thank you very much for that.

***Q: On page 27 of the Annual Report in the operational risks there's mention of the risk of catastrophic cyber incident, which continues to increase this year. On the following page, on what the Board is actually doing, the Board reviewed and discussed reports on this cyber risk twice during the past year. And I just wondered why such an important subject such as cyber security should only get a couple of discussion days?***

**A:** An absolutely pertinent question, incredibly important, you know as we saw in the Ukraine probably a couple of years ago now with the whole grid system being shut down because of a cyber event. So, it is an incredibly important matter in the business, and we probably haven't dealt with the point in the Report and Accounts as clearly as perhaps we should have.

We have an IT department that works full time on cyber risk and managing that risk. And they do a very effective job. The Executive Committee will be very involved on a month by month basis, probably more frequently than that, in managing that risk. And we as a Board get an update from the CEO every single Board meeting on cyber risk. So, we are very engaged with that is going on in cyber risk.

What we were referring to in that section of the report is what we do was as part of the formal business, we do what we call a deep dive twice a year. And that is where we get in both the team that work on the cyber risk for us, but we also get some external experts into the boardroom to discuss the magnitude of the risk and the extent to which we are managing it well.

So, we do a lot more than we were perhaps reflecting in the report.

***Q: How is the National Grid going to manage the increased demand for electricity from the increasing use of electric vehicles?***

**A:** It's a great question and a question we get asked an awful lot and there's always a lot in the media isn't there about how National Grid is coping with electric vehicles.

We do quite a lot of long-term scenario planning first of all to think about what the world would look like to when you've got 30 million electric vehicles in the UK. And all the analysis that we do suggests that demand will go up, as you'd expect, it's a huge transfer of liquid energy onto the networks. But there isn't an expectation that all that charging will happen during the peak. So broadly we're expecting demand probably to go up around 20%, 25% over the long term.

The network is built today to meet the peak demand on the darkest coldest half hour of the winter. And therefore, there's lots of spare capacity in the network to absorb additional users coming on.

So, our expectation is that we'll see lots of smart chargers where people will plug them in at home or in different places, but not all of that charging will happen over the peak and therefore actually it will allow us to optimise and manage the system in a much more efficient way. So that's the sort of macro picture.

At a local level, and of course that's quite important to National Grid now that we've just acquired WPD and really important to our distribution businesses in the US. There will be local areas that require reinforcement of the network because the network hasn't been built to support the levels of load that electric vehicles might bring. But we have got plenty of time to do that, both in the US and in the UK. The levels of electric vehicles at the moment is still very, very small. It's a big topic but it's a tiny percentage of the total that's actually used. But that will gradually increase over time as the prices come down and we'll invest in the network to make sure we can support that demand, both at a local level, but also at a national or regional level as well.

***Q: I welcome strongly the idea of a London AGM, this is the capital and National Grid PLC, is a FTSE 100 company. I too used to go to Birmingham, but the move from noon to earlier made it onerous and I stopped. And your thoughtfulness at holding the meeting at 11.30 here is appreciated.***

**A:** We are not going to make everyone happy. But we will definitely have a good think about that before setting the AGM next year.

***Q: May I urge you to print future Annual Reports in black on white, avoiding pastel contrasts and across page not in columns, to save paper and if read online, scrolling. There is an advantage in being able to read these bulky documents at speed. Have a look at page 41 where you've got a rectangle of orange with white print, it's deplorable, especially in the electric light.***

**A:** I have had a quick look at that page, and it is tricky to read. We'll definitely take on board your comments. I think a bit like your first question though it's going to be impossible to please everyone on this matter. I think there will be a lot of people that actually enjoy the colour and the contrast that we provide. But we'll definitely have a good think about your question when we prepare it next year.

***Q: Pages 11 and 42 of the Annual Report reports a contractor death in the United States. How did this happen and importantly what precautions are there to prevent recurrence*** ***anywhere? I trust the company was suitably empathetic to any family he might have had in this tragic situation.***

**A:** This was a very tragic event where a contractor was effectively removing some old transmission towers that were being piled onto a flatbed truck. And unfortunately, he'd gone into the drop zone, against the procedures that had been set out before the work had begun and one of the cut pieces of pipe - so these are very wide, sort of 48-inch-wide big steel structures rolled off the flatbed truck and unfortunately landed on him.

National Grid has a world class safety record, our lost time injury rate is 0.1, which is truly world class. But we always strive to get to a position where our lost time injury numbers are zero. And whenever we have an incident like this, whether it's with an employee, or with a contractor, we do a significant deep dive investigation to make sure that we've learnt the lessons.

That is what we did in this case, we learnt the lessons, those lessons were shared with all of our operational staff in both the UK and the US. A video was produced to show what happened and to explain exactly why it happened and how we avoid it going forward. So, we take these things very, very seriously. It was a very tragic event but I can reassure you that the lessons have been learnt across the company.

We are incredibly empathetic in these tragic events.

***Q: Page 34 of the Annual Report states ‘by investing efficiently in our networks we add to our regulatory asset base in the long term, and thus in contribution to delivering shareholder value’. Simply adding assets does not of itself generate profit. Could you tell us what was behind that statement?***

**A:** The way that the regulation works in the UK, when we invest in an asset, we will get both depreciation on that asset and a return. The value of the asset goes on the regulated asset base and the revenues are driven from that.

To the extent that we can deliver it efficiently and that means delivering it at unit costs that is lower than has been set by the regulator then we get to keep a share of the outperformance. Under RIIO T1 we kept 50% for our shareholders and 50% went back to customers. In RIIO T2 that will actually be slightly lower based on what we've agreed with the regulator. So, it does create value if we can deliver it efficiently, ultimately it will drive profits for our company, which are higher than if we delivered it at the unit cost or higher.

Being a regulated utility gives us that advantage.

***Q: Would you be careful about using abbreviations in the Annual Report. The common practice of stating the full version and the abbreviation in brackets is irritating because it imposes on the reader the task of remembering what was formally mentioned.***

**A:** Yes, we will have a think about that.

***Q: There was a rather vague Government announcement of designs they had on National Grid and I believe there is a Labour nationalisation proposal. Would you care to elaborate?***

**A:** In the consultation that was published last week by the Government, just to be very clear, it's talking about the Electricity System Operator, so a very small part of National Grid PLC – an important part but, nonetheless, a very small part.

We've been working in collaboration with Ofgem and the Government about how that role will evolve to support the energy transition.

The consultation that came out last week suggested two things; firstly, that the role of the Electricity System Operator should be expanded, and that will be very helpful in delivering net zero for the UK Government. In expanding that role, then it starts to raise the question of where best should it sit? Should it sit with a private company, like National Grid, or should it sit outside of National Grid? And that was the second issue that was raised in the consultation, which is should the ownership move outside of National Grid?

It is a consultation but there was a strong recommendation in that document for it to move outside of National Grid, and we've always said that, if the role expands to an extent that it just doesn't make sense, then we are very comfortable to work with Government on that.

It also, in the document, set out that there would need to be a sales process. So, of course, the Electricity System Operator, it will be a sales process. The Electricity System Operator, like any business at National Grid, obviously, if we choose to sell it, then we would look to get fair value for our shareholders, and the document recognises that there will need to be a sales process if the conclusions of the consultation are as they recommended.

So, we will be responding to that consultation. As I said, we've been working in collaboration with them for several years, but we've been very clear that, if the decision is to move it outside of National Grid, there will need to be a sales process.

In the document, they haven't yet decided as to whether it's going to be an organisation that's held in the public sector or whether, indeed, it's in the private sector but owned by someone other than National Grid. So, that is work to be done.

In terms of nationalisation more broadly for National Grid PLC, clearly, that was a debate that was going on prior to the last election and was part of the policy position of the Labour Party under the previous leader. Since then, the Labour Party has adapted its policy, not just around nationalisation for National Grid, but more broadly around nationalisation for utilities and has talked about needing to work in public and private partnerships.

At this stage, there isn't much more detail than that but, as you imagine, we spend a lot of time engaging with all political parties, both in the US and in the UK, and we'll continue to, as we did previously, explain the benefits of National Grid being in the private sector, being able to raise finance to deliver the net zero aspirations the Government have.

***Q: In relation to the United States and diversification, your ten-year total shareholder return is 147.3%. You are operating in a largely regulated industry, which arguably constrains you. There are two linked questions.***

***One- what scope is there for greater diversification towards increasing shareholder return, whether that be product diversification or geographical?***

***Two- page 43 of the Annual Report states that the United States remains a critical growth driver of the business and we will continue to make investments in the US. What scope is there, for example, for expanding in the US into other geographical areas or into other countries in the interests of long-term shareholder return?***

**A:** If you look back over the last ten years, then the geographic and regulatory diversification of the National Grid has, by operating in multiple jurisdictions in the UK and US, driven very good total shareholder returns. So, across the ten years, I think it averages around 10% per annum versus the FTSE 100 around about 6%. So, I think, having that diversity, has proven to create real value for National Grid.

In terms of the growth of the US business relative to the Group and relative to the UK, As I said earlier, we've set out an investment plan for the next five years of £30bn to £35bn. Around £17bn of that sits in the US of that £30bn to £35bn, and the asset base in the US is growing probably at the top end of our 6% to 8% range that we quote in our five-year projections. So, actually, growth in the US is stronger at the moment than it is in the UK.

Now, that oscillates over a period, I've been around a long time, so there are periods when the UK grows faster than the US and vice versa, and it's that geographic and regulatory diversity that, I think, gives us the consistency of our investor proposition.

In terms of looking to other geographies, at the moment, our focus has been to the UK and US and that's because we have a significant number of opportunities, both organic in terms of supporting the energy transition in both the UK and in the US, as well as underlying investment for asset health, reliability and resilience.

So, we're seeing very strong organic growth in both our UK and US businesses and, of course, when opportunities do come up to do inorganic growth such as the one that we just recently announced, then we've taken those opportunities.

The WPD transaction is a huge transaction, but it positions us very well for the energy transition, as I said. It puts us at the heart of the energy transition in the UK, and we expect to see strong demand growth for electricity, not just over the next few years but for several decades to come.

With that organic growth, together with taking sensible positions on inorganic growth, we're very comfortable with the overall shape of the Group. We'll be 50% UK networks, 40% US networks, 10% on non-regulated business, but we've actually got stronger growth in our US business today than in the UK, and that will vary over time as we go forward. So, having that focus, I think, delivers that consistency of shareholder return.

One of the Board's big responsibilities is to think about the strategy of the business over the long term, to create value over the long term, and, therefore, those strategic questions that you're asking are considered very seriously by the Board over a period.

One of the advantages of having tenures on the Board is fresh thinking, and, you know, with Paula coming onboard now, she's definitely asking us some very, very serious strategic questions.

A primary role of a responsible Board is the fact that it, on the one hand, supports the management and, on the other hand, it gives good challenge. The frame that John has just described is really fit for purpose at this point in time, but we also realise, as a Board, as citizens, as shareholders, that the world is moving pretty quickly, and this energy transition, on the one hand, is very ambitious and very exciting, on the other hand, very challenging to deliver.

And so, we are going to have to continue to, sort of, reconsider our business mix, how resilient it is against a changing world, against shareholder preferences, against changing economic and financial perimeters that exist.

And so, I will share that the Board is meeting after this meeting, and one of the things it's going to review is its own calendar of how these issues are going to continue to be presented and debated, in a very open manner, to make sure that, at all times, the plan that John has laid forth, that the Board currently supports, remains fit for purpose.

So, nothing is forever, and the real trick to a really strong company is that ability to navigate through changing times. And, with John, and the team's leadership, and a well-constituted Board, I can assure you that these questions will continue to be debated.

***Q: Would you like to take this opportunity to say a little more in summary about your non-regulated business, 10% of total? What are you doing and why, and what else might you do gainfully in that domain?***

**A:** You'll probably be aware that our focus over the last period has been in two areas; one is investing in our interconnectors between the UK and Mainland Europe. So, as you know, we've invested in a France interconnector, Belgium, Dutch, Norway and Viking. So, a significant level of investment in interconnectors. At the same time, in the US, we've been focusing on renewables, both onshore solar and wind, and recently we've entered into a partnership with RWE to look at offshore wind.

Really, why we do it because we've got fantastic capabilities within National Grid. These are in adjacent markets where we can use those capabilities to potentially create stronger returns for our investors than you could see in regulated networks. So, we do it in a very disciplined way, but those will be near as a focus.

***Q: I've got some concerns over the legal issues in the United States about some dubious practices. Would this affect a licence that National Grid hold there?***

**A:** This relates to some former employees that the Attorney General is investigating. So, this relates to a fraud issue. The Attorney General has made it very clear that National Grid is the victim here and, as you can imagine, National Grid is fully cooperating with the Attorney General in their investigation.

At the same time, as we always do, we are undertaking our own internal investigation and working very closely with the New York Regulators on that. If there are recommendations that require us to change any of our processes then, of course, we'll do that. But I just want to stress, National Grid operates with the highest levels of ethical standards, and the alleged actions of a few certainly do not represent the thousands of people that work for National Grid every single day with the highest levels of ethical standard.

***Q: Jonathan Dawson's been on the Board for eight years now, what plans are there to appoint somebody else to succeed him?***

**A:** Jonathan has given us great service over his eight years but, as you allude to, he will be moving off the Board, probably sometime next year. Paula has put in place succession plans for that. She mentioned it in her speech. Lord Ian Livingston is just about to join the Board and will progressively take over the Chair of the Remuneration Committee.

***Q: Overboarding- three of the directors on the Board have multiple outside directorships. What number does National Grid have as a limit?***

**A:** Firstly, we think it's healthy for Board members to have other Board positions. I think it is very helpful for us all to see governance working in different organisations, development of strategy working in different organisations, and bringing the best practice to the Board. So, one additional Board membership is encouraged and is welcomed.

Before any board member is appointed to the Board, one of the questions we'll very carefully think about is over-boarding, and we'd look at this. It's really three organisations that have very clear views on that, and that's BlackRock, the Investment Association, and ISS. And all our Board members comply with those rules.

There are a couple of Board members, I think Jonathan Silver has got a number of appointments, but these are very small companies that require very little of his time. So, we're very comfortable that Jonathan has more than enough time to devote to his responsibility on the Board of National Grid.

***Q: Well, I'm glad you mentioned Jonathan Silver because another question I have is he doesn’t have any shares in National Grid.***

**A:** It's not a requirement for non-executive directors to own shares in National Grid.

***Q: This is the first time I've attended a meeting because it's in London. And, when I spoke to Sir Peter Gershon, I asked him why do they have their meeting in Birmingham? One of the excuses he gave was there's a lot of shareholders in the Midlands, although I’m sure there’s even more shareholders in London and the South-East.***

**A:** We take on board your comments. I think he might have mentioned shareholders, of course, but we do have a significant business in the Midlands, so that is one of the considerations we have, but we need to think it through carefully and choose our location carefully.

***Q: At the beginning of the Annual Report, it says that you (Mark Williamson) are retiring from the Board at the end of this AGM. Is this correct?***

**A:** I am definitely retiring as I will come to the end of my nine years on the Board, and Paula's going through a process of refreshing the Board and appointing new board members, so I shall not be here at the next AGM, but I have very, very much enjoyed my time on the National Grid Board. A super company.