Statement as to the Role of the AGM in Managing Our Approach to Political Donations

Introduction

This statement sets out the actions that the Company takes from a corporate governance perspective, regarding gaining authorisation at our AGMs for political donations to be made, purely as a precautionary measure. This is consistent with the approach followed by most other PLCs and the underlying rationale for this is outlined below.

What do we do?

The Company seeks shareholder approval on an annual basis at the AGM to allow it to make political contributions in the UK, purely as a precautionary measure. The Companies Act 2006 requires companies to obtain shareholder approval to make political donations to political parties and to independent election candidates, to make political donations to organisations which are not political parties and to incur political expenditure all up to £125,000 in aggregate in any period of up to 15 months following shareholder approval or the next AGM whichever is earlier.

Why do we do this?

We always seek this authorisation at the AGM because the definition of 'political donations' in the Companies Act 2006 is very wide and could extend to any expenditure above £5,000 in total in any 12-month period. It could cover bodies such as those concerned with policy review, law reform and the representation of the business community (e.g. trade associations), in addition to other special interest groups.

What else does our authorisation notice say?

The Notice at the AGM makes it clear that the Company has no intention of changing its current practice of not making political donations or incurring political expenditure within the ordinary meaning of those words. The disclosure in the latest Annual report repeats this and confirms that the Company made no political donations during the year.

However, in accordance with applicable law, National Grid operates voluntary Federal and New York State employee Political Action Committees that raise funds from certain eligible employees and contribute them to support political

candidates in the United States. Further detail is set out in our Global Corporate Policy on Political Contributions.